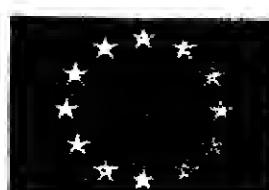




**Southern cross**  
New Zealand goes  
to the polls  
Page 14



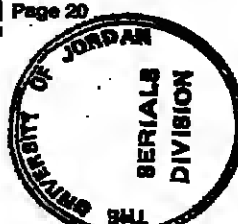
**Walking wounded**  
Europe ahead of the  
Brussels summit  
Page 20



**Glober**  
Has the network got a  
future?  
Page 22



**Scientific method**  
Building a career  
without managing  
Page 20



# FINANCIAL TIMES

Europe's Business Newspaper

FRIDAY OCTOBER 29 1993

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## Yeltsin to seek unfettered powers for presidency

Russian President Boris Yeltsin is seeking to place unfettered powers in the presidency with a series of constitutional amendments rendering the office invulnerable to challenge from a future parliament. Page 24; Making good on pledge by Bolsheviks, Page 3

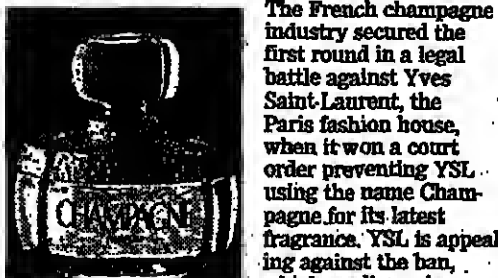
**US economy expands:** The US economy expanded at a real annual rate of 2.8 per cent in the third quarter, the best performance this year, thanks to steady growth in consumer spending and industrial production, the Commerce Department said. Inflation fell to its lowest level in seven years. Page 24; Currencies, Page 42

**EC summit row feared:** The Belgian presidency of the EC was last night straining to prevent today's special summit of the 12 heads of government degenerating into a row over the balance of power between big and small Community member states. Page 24; Background, Page 3

**US disaster areas declared:** President Bill Clinton declared five counties in southern California major disaster areas in response to the brush fires that have so far destroyed at least 500 homes in the region. Page 5

**GM announces \$113m net loss:** General Motors, which is battling to return its US vehicle operations to profit, reported a \$113m third-quarter net loss after adding \$50m pre-tax to reserves for its extensive North American plant closing programme. Page 25

**Champagne industry wins court order:**



The French champagne industry secured the first round in a legal battle against Yves Saint-Laurent, the Paris fashion house, when it won a court order preventing YSL using the name Champagne for its latest fragrance. YSL is appealing against the ban, which applies only in France. Elif-Sanofi, the French pharmaceutical company that last year took over YSL, saw its shares fall to FF1,022 from FF1,988 after the court's decision. Page 2

**Wellcome shares fall 11%:** Investors marked down shares in Wellcome, the UK-based international drugs group, by 11 per cent in response to a 46 per cent rise in its pre-tax profits. A one-third rise in the dividend and \$157m (\$307m) rise in the cash mountain to \$567m. Page 25; London stocks, Page 35; Lex, Page 24

**German nuclear power threatened:** The future of nuclear power in Germany and the fate of its highly subsidised coal mines are in doubt after the collapse of a year-long effort to negotiate a cross-party compromise on energy. Page 2

**India warned on power shortages:** India was warned that worsening power shortages are threatening its economic reforms and its ability to attract foreign investment. Page 4

**Uzbekistan ships gold 'guarantees':** Uzbekistan has shipped \$400m worth of gold to French, Swiss and US banks to "serve as guarantees for those who want to invest in our country", Islam Karimov, the republic's president, told French businessmen. Page 3

**Leaders back Ulster talks:** The prime ministers of Britain and Ireland will today give decisive political impetus to secret negotiations on a new settlement for Northern Ireland. Page 7

**Tunnel rail link delay feared:** Work to prepare a high speed rail link between London and the Channel tunnel could be delayed by a \$300m (\$302m) funding shortage, the UK government will be told today. Page 8

**Trial by jury:** Russia is to reintroduce trial by jury in five regions next week, 76 years after Bolshevik revolutionaries abolished the system as corrupt and bourgeois, a justice ministry statement said.

**Renault self-off planned for next year:** The French government plans to privatise the merged Renault-Volvo vehicle group in the second half of next year, industry minister Gérard Longuet said. Page 23

**Yacayeta dam:** Argentina and Paraguay are to privatise the huge Yacayeta hydro-electric dam being built on the Parana River that marks the frontier between the two countries. Page 5

STOCK MARKET INDICES		STERLING	
FT-SE 100:	3163.0 (+0.7)	New York	1,485.0
Yield	3.72	London	1,482.0
FT-SE Euroshare 100	1,388.45 (+1.0)	DM	1,482.0 (1,479)
FT-A All-Share	1,082.25 (+0.2)	DM	2,497.5 (2,485)
Nikkei	10,979.45 (+39.3)	FF	8.74 (8.69)
New York lunchtime:	1,485.0 (+0.7)	FF	2,282.0 (2,150)
Dow Jones Ind Ave	2,893.76 (+34.1)	Y	101.1 (100.5)
S&P Composite	468.00 (+3.3)	Z Index	88.5 (88.4)
US LUNCHTIME RATES		DOLLAR	
Federal Funds	3.1%	New York	1,485.0
3-mo Treas Bill: Yld	3.10%	DM	1,482.0
Long Bond	7.03%	DM	2,497.5
Yield	5.97%	FF	8.74
LONDON MONEY		FF	2,282.0
3-mo Interbank	5.4%	Y	101.1
Life long gilt future:	Dec 71/44 (11.4%)	Z Index	88.5
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# Future of German energy industry in doubt

THE FUTURE of nuclear power in Germany and the fate of its highly subsidised coal mines are both in doubt after the collapse of a year-long effort to negotiate a cross-party compromise on energy.

The governing conservative-liberal coalition in Bonn failed to reach agreement with the opposition Social Democratic Party (SPD) on Wednesday night, primarily because they were unable to agree on whether nuclear power has a future in the German economy.

The ramifications are considerable. It means that the hotly-debated issue of how to dispose of Germany's nuclear waste is undecided. That leaves question-marks hanging over Britain's multi-billion pound project for nuclear waste reprocessing at British Nuclear Fuels's Thorp plant at Sellafield, and over similar reprocessing contracts with France's Cogema.

It means Germany's power generators - led by RWE in the Ruhr, Veba's PreussenElektra in Hanover, and Bayernwerk in Munich - still have no secure planning framework in which to decide on their next generation of power stations.

They may be fuelled with domestic coal, imported coal, brown of soft coal, natural gas, nuclear energy, or renewable energy sources; all that is certain is that all is uncertain.

The nuclear power station manufacturers, led by Siemens KWU, do not know if they should go ahead with developing a new generation of extra-safe nuclear reactors, or abandon

Cross-party talks fail to decide on the country's nuclear power industry and its subsidised coal mines, writes Quentin Peel

The subject of energy supply in Germany is fraught with divisions - ideological, environmental and regional

don the project because they will never have a domestic market. They believe there is a huge future export market, but fear that the loss of a domestic nuclear industry will cause many of their top nuclear engineers to leave the country.

It means that two politically-explosive plans for nuclear waste disposal - at the Gorleben salt mines and the Schacht Konrad dissolved coal mine in the state of Lower Saxony - are left half open.

And it puts the whole future financing plans for the embattled German coal mining industry, already suffering a severe squeeze because of the downturn in steelmaking, in doubt. The industry requires massive subsidies to the end of the century to maintain a production of 35m tonnes a year

for power stations.

The German government, the coal mining industry and the power generators, all link a viable future for coal with the maintenance of nuclear energy: they say that only by cross-subsidising the high cost of burning German coal (its price is currently about DM280 (£114) a tonne, compared with DM80 for imported coal) with low-cost nuclear power can they afford to buy the domestic product.

The whole subject of energy supply in Germany is fraught with political pitfalls. It concerns not simply ideological differences between left and right, and between environmentalists and the industrial lobby. It also concerns acute regional rivalries, between the federal states and the Bonn government, between north Germany and the south, and within industry as much as within the political establishment. South Germany is pro-nuclear. The Ruhr is pro-coal. And north Germany could happily survive with imported coal and gas.

Control of the nuclear power industry is shared between the states and the federal government in Germany's decentralised system. They share responsibilities for licensing nuclear power stations. That means that even if the central government wants to maintain nuclear power in the national

energy balance, it has to co-operate with SPD state governments, several of which rule in coalitions with fiercely anti-nuclear Greens.

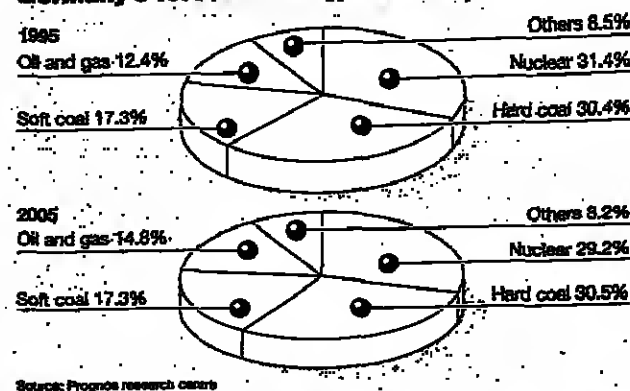
The attempt to forge a cross-party, cross-industry consensus was launched a year ago by the unlikely alliance of Mr Gerhard Schröder, the SPD premier of Lower Saxony, who heads a red-green coalition there, and the bosses of the two largest energy utilities, Mr Friedhelm Gieseke, chief executive of RWE, and the late Mr Klaus Filtz, chief executive of Veba.

They came from opposite directions. Mr Schröder, who faces state elections next March, wants to lift the threat of high-level nuclear waste disposal at the Gorleben salt mines. He also wants a clear commitment to the abandonment of nuclear energy in Germany, so that he knows precisely how much low-level waste may be dumped in Schacht Konrad.

The energy utilities need planning certainty for the next generation of power stations. And they also need a plan to dispose of their steadily-accumulating nuclear waste.

They are locked into contracts for waste reprocessing with both BNFL and Cogema, which will produce 40m tonnes of plutonium. That in turn has

Germany's forecast energy balance



Source: Prognos research centre

to be reconverted into mixed oxide (MOX) fuel elements back in Germany, which can then be burned in their power stations.

That process is now blocked by the red-green coalition in the state of Hesse, where the environment minister, Mr Joschka Fischer, is the Green party's most articulate anti-nuclear advocate. He has simply prevented the MOX element plant at Hanau being completed.

The utilities may be forced to ask Cogema and BNFL to convert their plutonium into MOX elements in France and Britain. That solution is certainly under debate. But in the long run, both the utilities and the German political parties are looking actively at the alternative option to reprocess-

ing - direct disposal of nuclear waste.

Last week, after months of painful negotiation, Mr Schröder and Mr Klaus Töpfer, the Bonn environment minister, thought they had managed to negotiate a successful compromise.

It included amending the German nuclear law to allow direct disposal of nuclear waste as an alternative to reprocessing; it would give the present generation of nuclear power stations a confirmed working life of 35 to 40 years; it would launch a search for alternative waste disposal sites to Gorleben, while allowing Schacht Konrad to be used for low-level waste; it would allow a prototype nuclear reactor of a new "extra-safe" generation to be licensed in Germany; and

"We know we do not make the situation easy for our neighbours," Mr Töpfer admitted yesterday after the collapse of the talks. "We cannot decide these things in national isolation."

Mr Töpfer believes that in the long run, Germany must switch from reprocessing its nuclear fuel to direct disposal: it is much cheaper, he believes, and it will not produce plutonium. But the collapse of the talks makes that switch more remote, not less.

"It is rather less probable that we will get a change in the nuclear law (to allow direct disposal)," he said. "It is more likely that it will remain as it is. That will not be in the interests of the SPD. But then, that is life."

## Balladur seeks new Air France package

By John Riddling in Paris

AS THE damaging nine-day strike at Air France continued to ease yesterday, Mr Edouard Balladur, the French prime minister, said a recovery plan for the state-run airline was "indispensable" despite his government's climbdown on an earlier austerity package.

In an interview in the French daily Le Figaro, Mr Balladur said the state and taxpayers could not continue to support losses of FF5bn (£580m) a year at Air France, the amount the airline is forecast to lose this year. But he said a new recovery plan could avoid involuntary redundancies and share equally the burden of cost-cutting across the company.

Mr Balladur's comments came as the strike by ground staff, which has brought Air France to a virtual standstill, appeared to be petering out. Many baggage handlers, maintenance workers and technicians returned to work, although the airline's freight services remained paralysed at both Orly and Charles de Gaulle airports.

A spokesman for Force Océane, representing about 35 per cent of ground staff and which has been at the forefront of the dispute, said the union was awaiting the outcome of negotiations next week before deciding whether to relaunch industrial action.

Mr Christian Blanc, who has taken over as Air France's chairman following the resignation on Sunday of Mr Bernard Attali, will meet union leaders at the beginning of next week in an attempt to resolve the dispute. Mr Attali's plan included 4,000 job cuts and a reduction in overtime pay and bonuses. Mr Blanc has said he will not impose any cost-cutting measures before discussions with union representatives.

Air France services, which had been brought to a complete standstill for much of the dispute, showed some improvement yesterday. Thirty-six flights, including 24 from Paris's two main airports, operated yesterday and the airline said it hoped to double the number of departures today.

But the number of flights remains far short of the 450 normally operated and a resumption of usual service is expected to be a slow process.

## Court puts stopper on Champagne perfume

By Alice Rawsthorn in Paris

THE French champagne industry yesterday won the first round in an acrimonious legal battle against Yves Saint-Laurent, the Paris fashion house, when it won a court order preventing YSL using the name Champagne for its latest fragrance.

YSL is appealing against the ban, which applies only in France, but which will force it to change the name of Champagne within a month. If the appeal fails it faces substantial losses, given that it has already spent large sums publicising the perfume, which was introduced in France and other European countries last month.

The typical cost of launching such a fragrance worldwide is \$50m, with Europe absorbing \$15m of the total. YSL, the French pharmaceuticals company that last year took over YSL in a highly controversial FF3.6bn (£410m) acquisition, saw its shares fall from FF1,022 to FF988 after the court's decision. The affair has erupted at a time when YSL and YSL already face the threat of a legal investigation over suspected insider trading in YSL shares.

The champagne lobby has claimed that the existence of a perfume called Champagne could confuse consumers and imperil the prestige of their product.

If YSL loses the appeal, it will also face an unenviable strategic dilemma. Such large fragrance companies operate on an international basis and co-ordinate the marketing of their products so they are positioned in exactly the same way in every country.

If YSL were forced to change the name of Champagne in France, it would torpedo its hopes of creating a coherent international image for the brand. Alternatively it might decide to change the name everywhere - an expensive option.

## Mass march in Bonn opposes benefit cuts

By Quentin Peel in Bonn

MORE THAN 100,000 building workers converged on Bonn yesterday in a mass protest against the social spending cuts ordered by the German government.

In the biggest demonstration of union discontent yet organised in a "hot autumn" of protest, the builders denounced government plans to cancel their "bad weather money", which is paid as an alternative to unemployment benefit in the winter months.

Mr Bruno Köbele, leader of the building workers' union, accused the Bonn coalition of "running socially amok" with its savings plans, which will cut unemployment benefit by three percentage points, limit its duration to two years, and abolish the workers' special deal.

The "bad weather" money has existed since 1959 to prevent mass winter lay-offs in the industry.

The size of the turnout surprised even the organisers, and confirms a gathering mood of discontent in the German workforce at the combined squeeze of increasing unem-

ployment, reduced social spending, and rising tax and social security deductions.

At the same time, there was confirmation yesterday of growing support for short-time working to be introduced as an alternative to outright job cuts.

The Volkswagen plan to bring in a four-day week as an alternative to mass redundancies was formally proposed by a workers' leader at Deutsche Aerospace (Dasa), the troubled Daimler-Benz subsidiary which has announced cuts of up to 16,000 jobs.

Mr Horst Kowalczyk, works council chairman in the Deutsche Aerospace Airbus division, called on the management to negotiate alternatives such as the four-day week to its planned programme of plant closures, which will shut two large plants in Munich and Lemwerder in Lower Saxony.

He was speaking at a mass meeting at the threatened Munich-Neuaußing plant, where more than 1,000 workers whistled and heckled Mr Hartmut Mehdorn, head of the Airbus division, and Mr Georg von Waldenfels, the Bavarian finance minister.



The Colosseum forms a backdrop to a protest by striking workers in the centre of the Italian capital yesterday

## Italian industry hit by protest strike

By Robert Graham in Rome

ITALY'S public services, banks and much of industry, was paralysed yesterday by a four-hour general strike called by the unions in protest at the 1994 austerity budget.

Demonstrations were held in all the country's main cities. Union leaders attacked the government's economic policy despite a last-minute decision by Mr Carlo Azeglio Ciampi, the prime minister, to increase funds for creating new jobs from L800bn (£332m) to L1,300bn (£540m).

As with the previous four general strikes in April, the union leaders were doubtful that the protest would produce concrete improvements for the rank-and-file or alter the basic austerity measures in next year's budget. Instead, the strike action reflected the general sense of frustration in the labour movement about pay falling behind inflation and the rise in the unemployment rate to nearly 11 per cent.

The lack of real focus in the general strike provoked a tough response from Confindustria, the industrialists' con-

federation. It issued a statement saying the unions were deluding themselves if they believed the state could continue to be guarantor of jobs or that hand-outs could be the motor of recovery.

The strike had been preceded by a week of labour unrest in the transport sector. Significantly, the sole sector to observe a full day's stoppage was the chemicals industry. Here Enichem, the state chemicals group, is about to implement a restructuring plan which could see a 20 per cent reduction in the workforce. In

September, Enichem workers at Crotone in southern Italy carried out a violent occupation of the plant and nearby towns which signalled the beginning of a more radical labour climate nationwide.

Apart from employment, yesterday's strike was intended to highlight the inequalities in the tax system, with salaried workers bearing the brunt of contributions while the self-employed evade taxes on a huge scale. The government is currently battling to retain a "minimum tax" to impose on the estimated earn-

ings of the self-employed and this week decided to call a vote of confidence in parliament on this issue.

The unions are also complaining that strong lobbying on has persuaded the government to divert more money in the 1994 budget to top up pensions at the expense of public sector pay increases. The budget, due to be approved by mid-December, is attempting to reduce the public sector deficit to 8.7 per cent of gross domestic product and find an extra L32,000bn mainly through spending cuts.

League sees plot to delay polls

ITALY'S opposition Northern League, denouncing what it called a plot to delay general elections, yesterday threatened to set up an alternative parliament, Renter reports from Rome.

Mr Umberto Bossi, head of the party which dominates Italy's industrial heartland, said he would set up a "constituent assembly" in the north to draw up rules for turning the country into a federalist state.

The League's threatened rebellion follows a move by the main parties in Rome's scandal-tainted parliament to revise a new electoral law passed this summer.

## State to take up Treuhand task

By Judy Dempsey in Berlin

THE German government will take control of about 100 enterprises which the Treuhand privatisation agency will be unable to sell by the end of 1994 when its mandate expires, officials confirmed yesterday.

At the same time, a new bill will be presented to the Bundestag to extend the life of the Treuhand, whose main task after 1994 will be to complete the privatisation of land, monitor sales contracts, and manage real estate.

The plan for the enterprises, which was announced by Mr Theo Waigel, finance minister, represents a radical shift in policy away from rapid privatisation to a much slower process based on restructuring and better management. The plan, which will be debated by the Bundestag over coming weeks, coincides with growing criticism from the governments of the five eastern states that the Treuhand could have done more to prevent closure and protect jobs.

The agency has sold all but 1,392 of its 13,300 enterprises since it was set up in July 1990. Sales have generated more than DM180bn (£73m) of committed investment and guaranteed 1,45m jobs. But nearly 3,000 enterprises have been closed at the cost of 313,000 jobs, and a further 2m jobs have been lost through privatisation.

Finance officials yesterday

Plans to expand Berlin's airport capacity are expected to be financed by the private sector in a move signalling a gradual shift from public sector borrowing for infrastructure projects, writes Judy Dempsey.

Investment bank Barclays de Zoete Wedd has been appointed to advise Berlin Brandenburg Flughafen Holding (BBF) how the existing structure, and the construction of a new airport, can be financed privately.

Tegel, Tempelhof, and Schönefeld airports are all operating at close to capacity.

would not say which enterprises would come under government control. However, the giant railway carriage and locomotive maker Deutsche Waggon Bau, machine tool manufacturer Sket, and the Buna chemical works could be on the list.

Denying that efforts to find solutions to enterprises employing more than 200,000 people had been influenced by next year's federal and state elections, a finance ministry official said: "We just need more time to restructure them, prepare them for privatisation, and then find a buyer."

The restructuring phase, which will start in 1996 and end in 2000, will cost DM45bn. Part of the cost will be financed by the federal budget.

Anti-corruption inquiry widens to involve more public-sector figures

## State telecoms executive arrested

By Robert Graham in Rome

MR VITO Gambale, a divisional head at Sip, Italy's main state-controlled telephone utility, was arrested yesterday for alleged attempted extortion concerning a telecommunications contract in the Naples region.

This is the first time a Sip executive has been linked to anti-corruption investigations. The arrest coincided with that of another prominent public-sector figure, Mr Marcello Ingolfess, head of the foreign trade institute (ICE), on charges of fraud concerning the opening of a trade office in Orlando, Florida.

Mr Gambale, head of the cellular telephones division, has previously worked with ENI, the state oil concern, and is considered close to the Socialist Party.

He was arrested along with three others, including a local Socialist politician. Naples magistrates alleged Mr Gambale attempted to threaten the owner of a local telephone equipment company with the loss of a contract unless he employed a specific number of people "recommended" to him by local political bosses.

The Naples magistrates' investigations are part of a broadening inquiry into alleged vote-buying by the most prominent politicians in

the Naples region. Their inquiries into telecommunications contracts are separate from those of Milan magistrates. In May and June, Milan magistrates detained a number of senior executives in the state-run telecommunications companies.

These included Mr Francesco Silvano, then managing director of Stet, the umbrella telecommunications group, and the heads of Sirti (its engineering subsidiary) and Italel, responsible for equipment manufacture.

In Milan yesterday, the trial opened of Mr Sergio Cusani, who is suspected of being a key financial intermediary in alleged pay-offs to politicians by Montedison, the industrial

arm of the Ferruzzi conglomerate.

As the trial opened, Montedison announced it had become a civil party to the case.

This appeared to be part of a strategy by the administrators of the collapsed Ferruzzi-Montedison group to recover the large amounts believed to have been paid over to politicians, as well as money allegedly siphoned off for personal use by the Ferruzzi family.

The Italian Senate yesterday approved a law removing parliamentarians' immunity from interrogation by the judiciary, but preserving their right to resist arrest unless due cause is presented to parliament in written documents.



## Making good on pledge by Bolsheviki

Yeltsin hopes to make 'peasants the masters', writes John Lloyd

**T**HE daily *Izvestiya* yesterday heralded its announcement of President Boris Yeltsin's decree giving Russian citizens the right to buy, sell, rent and bequeath land by reprinting its own front page of exactly 76 years ago. That contained the decree "On Land" by the new Bolshevik government which proclaimed that land would be returned to the peasants.

The decree, said *Izvestiya*, claimed to "make the peasants the masters", but remained a piece of propaganda, while the reality soon became one of state ownership and dispossession of peasant proprietors in favour of collectivisation.

The present decree eschews grand sounding phrases in favour of a definition of rights and a description of the mechanisms under which citizens can buy and sell land in order to create a class of farmer-proprietors with fully guaranteed rights, for the first time in Russian history. The state will guarantee and protect the right to buy, sell, rent, transfer and divide land freely, reserving only the right to claim land for strategic state use after paying the market price for it.

Foreigners and foreign companies can participate in the process of buying and selling land, but apparently only (the decree is vague on the point) in association with Russian companies. Land can be used for agricultural purposes, or for development of any kind.

In a move analogous to the rights given to workers in state enterprises, workers on state and collective farms will have the right to buy plots of land at discounted prices. Land can be sold off in auctions or offered for sale privately to competitive bids.

A new state body, with offices in all regions, the Russian Federation Committee for Land Resources and Land Construction, will be the body charged with ensuring that land sales go through. It will have offices in all regions, and is clearly designed to override the inevitable objections and barriers raised to land sales by local authorities and the leadership of state and collective farms to a measure they have bitterly resisted for years.

Resistance to the move to make land a commodity is not confined to former communist leaders and bureaucrats in the regions, but is often strongly expressed by the state and collective farm workers themselves.

Russian land has only briefly been freely tradeable, in the decade before the first world war following agrarian reform pushed through by Mr Pyotr Stolypin, the prime minister. It succeeded in creating a class of peasant-proprietors - who were dispossessed two decades later by ruthless collectivisation which left only small plots in the hands of the peasants throughout the Soviet Union.

Mr Viktor Khlystun, the agricultural minister and as such the highest representative of the agricultural lobby, has already sought to limit the damage he sees the decree as doing - by saying that no foreigners can buy land, that speculation in land should be avoided and that no small farmer should be allowed to hire labour.

However, the decree gives a solid guarantee of the state's intention to tackle what has been the largest inhibition to the dismantling of the socialist system: it will, however, require a vigorous response from would-be farmers if it is to herald the revolution in the countryside it clearly hopes for.

## Western banks get guarantee in gold

By David Buchanan in Paris

**U**ZBEKISTAN has shipped \$400m worth of gold to French, Swiss and US banks to "serve as guarantees for those who want to invest in our country", Mr Islam Karimov, the republic's president, told French businessmen yesterday.

The president of Uzbekistan, which is an important gold producer, raised eyebrows when he told French businessmen that any doubts about the worth of this guarantee could be checked by the country's bullion in the vaults of Credit Commercial de France (CCF) in Paris.

He gave the initial impression that he had brought the gold in his personal baggage on his state visit to Paris. But CCF later said that the gold, which it described as an amount of "some consequence", had been sent to Paris a short time ago in the usual manner of such shipments.

Other French banks appeared mildly piqued at learning that the CCF now has the collateral of gold to cover credit for Uzbekistan which they do not. But Mr Charles de Croisset, CCF's president, said that by depositing the gold in CCF the Uzbek president clearly had no intention of conferring on CCF "any monopoly". The deposit, Mr de Croisset said, was rather "a symbol to show that Uzbekistan is a serious economic partner for the world".

Mr Karimov complained about the "diktats" of the Russian central bank in running the rouble zone of which Uzbekistan is still part. If this continued, he said, Uzbekistan might set up its own gold-backed national currency, on whose feasibility it had already consulted the Deutsche Bank.

## Baby dies as Serbs bar safe passage

By Laura Silber in Belgrade

**A** SICK Moslem infant died yesterday, after local Serb commanders blocked his evacuation from Gorazde, a Moslem enclave in eastern Bosnia, for medical treatment in the west.

The one-year-old baby, Mohamet Rasenica, was tucked into a French army convoy bound for Sarajevo, after Serb chieftains in Pale, their mountain stronghold, gave permission for him to be evacuated with four other critically ill patients.

UN relief officials yesterday were outraged by Mohamet's death, which follows a similar case earlier this month when a two-year-old Moslem girl died in Zepa, a nearby Moslem enclave also designated a UN safe area. In both instances, Serb leaders gave permission for the medical evacuation of besieged Moslems, only to block it hours later.

Doctors said the patients could be easily treated in normally-equipped hospitals instead of in the Moslem enclaves. "This child would not have died if he had been able to get proper medical treatment," said one.

Serb leaders routinely block the passage of medical supplies, food and building materials desperately needed for the UN "safe areas", cut off from the outside world except when Serb authorities allow access.

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## Delors bloodied but unbowed

By Lionel Barber in Brussels

**M**R Jacques Delors will not be drinking champagne today. He expects little from the special EC mini-summit, and accepts that the battle for faster European political and economic integration has been lost, at least for now.

Recent visitors to Mr Delors' office report that the president of the European Commission seems less moody, more at ease with himself, almost philosophical as he heads towards the end of a 10-year career.

He has been praised as the architect of the single market, but condemned as the engineer of a self-destructing timetable for European monetary union.

However, one reason for the president's apparent serenity is that his *magnum opus* - the White Book on employment, competitiveness and growth - is in its final stages. It will be Mr Delors' last hurrah at the EC summit in December.

Friends say he is close to resolving the challenge of reconciling his support for the European model of the welfare state and the need to reform



Delors: friends say John Major makes him miss Lady Thatcher

Europe's labour markets. With just over a year more in office, Mr Delors sees the White Book as providing the framework for European countries to take the difficult measures needed to restore competitiveness, create jobs, and catch up with the US and Asia.

Friends say that Mr Delors has no regrets about his drive to force the pace of political and monetary integration on the back of the single market.

But he realises that the battle has been lost, for now. An Anglo-French alliance buried federalist-minded plans for a common Europe security and foreign policy at the Maastricht conference table, and the Bundesbank put paid to Emu, at least in the short-term.

Above all, the recession has encouraged the president to re-examine some of his assumptions about the pace of European integration and his place in contemporary history. Some of his conclusions are unexpected.

Mr Delors now believes, for example, that a Gatt world trade agreement by December 15 is in France's interests. Naturally, there are caveats about fair deals for French farmers.

But he recently warned his fellow Frenchmen to snap out of their "national psychodrama" and to avoid retreating behind a modern-day Maginot Line, the ineffective defence system built between the world wars to keep out the Germans.

On a personal note, Mr Delors has realised how much authority he lost within the Commission as a result of his

feud with Mr Ray MacSharry, the Irish commissioner responsible for agriculture. His support for Sir Leon Brittan, the EC's chief trade negotiator, has been more clear-cut.

If Mr Delors has a regret, it is how his views on Europe have been caricatured in Britain, most recently at the Conservative party conference where he was once again cast as the demon socialist/centralist. This week, he was roughed up by Mr Kenneth Clarke, chancellor of the exchequer, at a meeting of EC finance ministers in Luxembourg.

Aides predict that Mr Delors will launch a campaign of TV and press appearances in the UK, in the hope of setting the record straight.

Friends say that Mr Delors detects an intellectual vacuum within the British government led by Mr John Major. This is what most disappointed him about the prime minister's recent article in the *Economist* on Europe. Mr Delors cannot resist a debate among equals.

You guessed it: he really does miss Lady Thatcher.

## Expatriate voting rights speeded up

By Andrew Hill in Brussels

**T**HE European Commission has rushed out legislation to enable the EC's 5m expatriates to vote or stand for election to the European parliament next June in the EC country where they live.

The right to vote in local and European parliament elections in the country of residence is one of the principles of EC "citizenship" contained in the Maastricht treaty, which comes into force on Monday.

But to sidestep accusations that the new "European Union" wants to harmonise long-established national rules, on who can vote or stand for election,

Brussels is to examine the possibility that illegal state aid has kept Daf, the Dutch truck maker, in business for the last three years, writes Andrew Hill from Brussels. Daf went into receivership in February, putting 13,300 jobs in the Netherlands, Belgium and the UK at risk. Its Belgian and Dutch operations were transformed into a new company in March with the help of equity capital and loans from the Dutch state and the Flemish region of Belgium.

The Commission opened an inquiry on Wednesday. If the aid is found to be illegal, the company's liquidators may have to repay the subsidies.

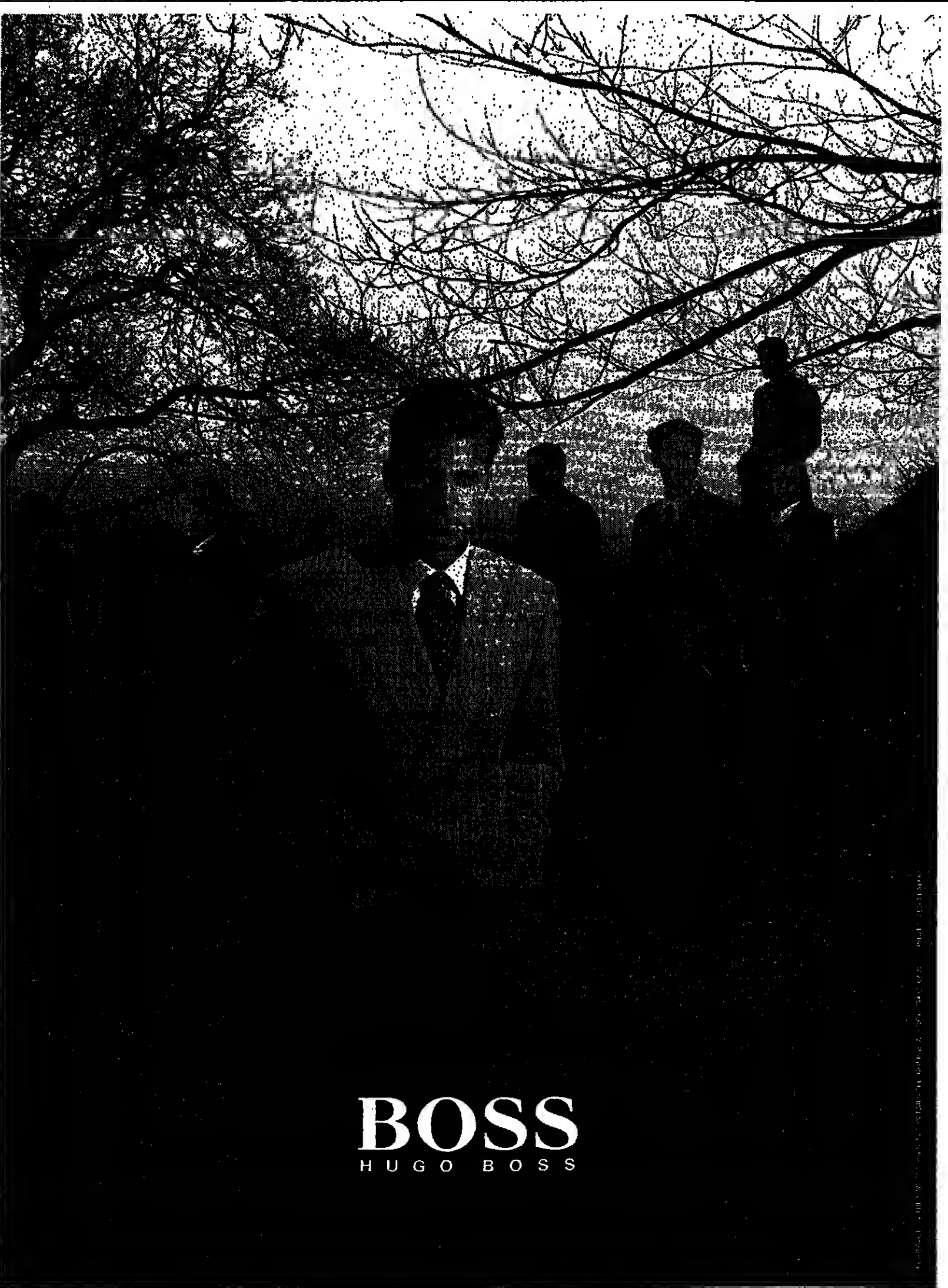
The Commission yesterday tabled complex legislation which respects existing regulations.

For example, member states like Britain which impose a minimum residence requirement on their electorate, will retain that limit, but will have to

take into account the time voters have spent living in other EC member states.

Further rules will prevent candidates disqualified from standing in one member state from joining the party lists in another EC country, and information exchanges should help catch fraudsters

in most member states the proportion of expatriates is comparatively low - ranging from less than 1 per cent to 6 per cent. However, some 25 per cent of the Luxembourg population are foreigners - mainly Portuguese immigrants - and the Grand Duchy was worried that some of its constituencies would be dominated by foreign candidates. The draft directive gets round that problem by allowing Luxembourg to prevent all but long-term residents voting or standing for election.



## APPLICATIONS ARE INVITED FOR SENIOR LEVEL POSITIONS IN THE STATE BANK OF PAKISTAN

The State Bank of Pakistan has created three new departments intended to strengthen the analytical and technological base of the Bank. The departments will play a central role in the formulation and implementation of macro economic and monetary policies. These departments are:

- Monetary and Fiscal Research Department
- International Economic Research Department
- Computer Services Department

Applications are invited for Directors of these departments in Senior Grade-I of the bank with good prospects of promotion in due course to the grade of Executive Director, which is a level next to that of Deputy Governor. The directors will provide leadership in building up the above departments as well as in the development of Bank policies.

Candidates should have a Ph.D in Economics/Computer Science from a Foreign University with specialisation in the fields for which they intend to apply. A minimum experience of 10 years in research/operations in a reputed organisation/university is required. Preference will be given to candidates in the age bracket of 40-50 years although younger persons with extra-ordinary academic standing and research experience will also be considered.

The position carries an attractive salary, including bonuses and several allowances and benefits including accommodation/house rent, car, telephone, utility charges, medical facilities, and an excellent retirement benefits package.

Interested persons who are citizens of Pakistan should apply to the Director, Personnel Department, State Bank of Pakistan, Central Directorate, 11 Chundrigar Road, Karachi, Pakistan, by December 1, 1993 with the following material:

- CV that gives information such as date of birth, educational qualifications, experience, publications, present employment, address and any other material that may be helpful in the evaluation of a candidate etc.
- A sample of a major research paper/analytical work.
- Three references of persons who can give a report on the candidate.
- Three passport size photographs.

After the initial screening based on the information provided in the application, candidates will be called for interview at a time and place to be communicated to them individually.

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## NEWS: INTERNATIONAL

# Power cuts 'crippling India's prospects'

By Stefan Wagstyl in New Delhi

INDIA was warned yesterday that worsening power shortages are threatening its economic reforms and its ability to attract foreign investment.

Mr S Rajagopal, who recently retired as chief cabinet secretary, said the growing shortage of electricity was holding back industrial development.

The position was so serious that if all the planned foreign investment actually materialised, India would not be able to provide the basic infrastructure these companies would require. Also consumers were angry. "We saw power cuts in Delhi this summer and it's going to increase," warned Mr Rajagopal.

Mr Rajagopal was speaking at an industrialists' conference in Delhi at which many of the participants echoed his gloomy views of the future of the Indian economy and the inadequate impact of the reforms carried out since 1991 by the government of Mr P V Narasimha Rao.

Mr Rajagopal said the government had originally planned to add 48,000 megawatts of generating capacity in the five years 1991-1996, but this had been cut because of financial constraints to a target of 30,558MW.

However, a recent government review showed that the public sector, which dominates the electricity industry, would probably build 13,000MW to 14,000MW of capacity.

India's efforts to attract private investment into the industry had won great attention. But none of this would come

on stream before 1996; at best private companies would have started work on installing stations with an output of 3,000MW.

Mr Rajagopal said later the answer was to revive public sector investment in electricity generation. Most other countries, including developed nations, did not rely on private companies.

But he said other changes were also needed including reform of the rules governing electricity distribution and sale to tackle transmission losses, theft and the supply of free or subsidised electricity to many farmers and others.

Mr Pranab Mukherjee, the commerce minister, told the conference he was concerned the economy was growing more slowly than expected. Compared with an annual target rate of 5.2 per cent, economic growth in the year to the end of March 1994 may only be 4.5 per cent.

He admitted that the pace of reform had slowed. Heading a minority government, ministers had no choice but to take political factors into account. He called for a national consensus to support further reform. So far, the government had often taken soft options in reforms - such as cutting government borrowing by reducing capital investment in infrastructure and other needs instead of cutting current spending.

Mr S L Rao, director general of the National Centre for Applied Economic Research, also warned that growth was slower than had been expected and there was a danger of resurgent inflation.

# Seoul tries to break up big business groups

By John Burton in Seoul

THE South Korean government is to offer financial incentives to conglomerates that streamline their operations and specialise in a few industries.

The Industry Ministry proposal is likely to be the centrepiece of President Kim Young-sam's policy toward the chaebol, the big business groups that dominate the Korean economy.

Korean governments for the past decade have tried to reduce the size of the chaebol, but with little success.

Officials have long argued that the chaebol have diversified into too many unrelated industries, which is harming their efficiency and global competitiveness.

Korea's leading chaebol, on average, operate in nine different industries, while Japanese business groups normally concentrate on one to three industries, says the ministry.

Under the proposed guidelines, the 10 biggest chaebol, which include Hyundai, Samsung, Lucky-Goldstar and Daewoo, would select three core industrial sectors and the next 20 largest would pick two sectors to develop. The chaebol must select their core industries by the end of the year.

In return, the government would lift restrictions on bank loans and possibly foreign borrowing for these core companies, while providing research and development support.

Chaebol that dispose of other non-core subsidiaries would be allowed to select an additional one or two core industries.

The plan bears some similarity to the last chaebol policy, introduced in 1991, which stipulated that the 30 leading conglomerates had to select three core industries, which would then receive unrestricted bank loans.

But this programme failed to reduce the size of the chaebol or fulfil the government's hope that the chaebol would select their most advanced industries. Instead, the designated core companies were often those needing the most capital investments, such as the troubled petrochemical industry, or ones with the heaviest debts.

The government this time is proposing that core companies must meet certain conditions to qualify. Selected companies, for example, must already account for at least 10 per cent of group sales, which would indicate that they are already competitive.

South Korea will free most interest rates on November 1 in a key step toward financial liberalisation, the finance ministry announced yesterday.

The action, long anticipated, will deregulate all lending rates offered by financial institutions, except for rates connected with low-interest state-controlled policy loans to strategic industries.

Interest rates on long-term deposits of more than two

years will also be freed. The government has promised to deregulate all interest rates by 1997.

The ministry said that most lending and deposit rates would be liberalised as a result of the current measure. However, non-bank financial institutions will enjoy more freedom in setting interest rates than banks, which have traditionally been under tighter government regulation.

All lending rates offered by non-bank financial institutions will be liberalised and most deposit rates.

Banks say they are seeking an accelerated liberalisation of deposit rates, now scheduled to be completed by 1996, in order to compete more efficiently

against rival institutions in attracting funds.

But the government has adopted a cautious approach to liberalising deposit rates because it is concerned that it would force financial institutions to raise deposit rates, with a corresponding increase in lending rates to maintain interest rate margins, as they compete for funds.

The new measure is expected, at least temporarily, to increase loan rates, which could further slow economic growth, at 4 per cent a year already at its lowest level in 13 years.

The government has indicated that it may increase the money supply to keep loan rates from rising sharply.

## NEWS IN BRIEF

## Boost for regional powers in S Africa

THE African National Congress and the South African government have agreed to devolve more power to regions in post-apartheid South Africa, in an attempt to persuade right wing parties to accept a new constitution, writes Patti Waldmeir in Johannesburg.

The move follows nearly a year of negotiations on power-sharing between regional and central government. They must obtain agreement on this issue from the so-called Freedom Alliance grouping Inkatha and white right-wing parties if the new constitution is to have broad legitimacy.

The proposals, which would deny regions the right to levy their own taxes, and which would guarantee central government a veto over matters such as regional policing and education, may not satisfy the Freedom Alliance whose members demand either a federal or a confederal constitution.

The proposals emerge at a crucial phase of the negotiations, with participants aiming to finalise a new constitution within a fortnight.

## Moi 'behind tribal clashes'

Presbyterian pastors in Kenya yesterday accused the government of President Daniel arap Moi of instigating ethnic clashes that have killed hundreds and displaced thousands in the Rift Valley, writes Leslie Crawford in Nairobi.

The victims are peasant farmers of the Kikuyu tribe, the largest and wealthiest ethnic group in Kenya, who are distrusted by Mr Moi, a Kalenjin, and his coalition of minority tribes.

The pastors accused troops, disguised in traditional attire and using clubs and spears, of carrying out the killings.

The worsening violence in the Rift Valley and the government's apparent indifference to the Kikuyus' plight are causing alarm among Kenya's donors, who meet next month to discuss resuming aid.

## Burma frees Thai fishermen

The Burmese government is to release 59 Thai fishermen from the Thai-Myanmar joint fishing enterprise who were arrested in June and July for alleged breaches of the law in Burmese waters, writes Chit Tun in Rangoon.



Captain Tony Makpo speaks to reporters after special forces of the Niger government, assisted by French troops, yesterday stormed a hijacked Nigeria Airways plane at the Niger capital Niamey, writes Paul Adams in Lagos. Israeli security forces were at the scene on behalf of the Nigerian government. The troops captured the four hijackers, two of whom were negotiating with officials on the runway, and rescued all 20 hostages except the co-pilot, who was killed. The hijackers had threatened to blow up the aircraft unless Nigeria's interim government handed over power. The hijackers belong to the Movement for the Advancement of Democracy, which says it has "decided to make life uncomfortable for the few Nigerians who terrorise the nation economically and politically". The group calls the government "authorised armed robbers" and quoted a US congressman as saying that "roughly 3,000 officials now have Swiss bank accounts totalling \$33bn" - more than Nigeria's foreign debt.

# Leading Japanese construction groups named in bribery case

By William Dawkins in Tokyo

THE FIRST trial in Japan's spate of construction industry scandals opened yesterday, as prosecutors arrested two more executives from a leading contractor.

Mr Toru Ishii, former mayor of the northern town of Sendai, admitted receiving ¥100m (\$625,000) from four leading construction companies - Shimizu (Japan's largest), Mitsui Construction, Hazama and Nishimatsu Construction. However, Mr Ishii refused to answer charges of accepting a bribe.

He is one of nearly 30 people charged in the widening scandal, in which local government politicians are suspected of accepting large amounts of cash in return for helping construction companies obtain contracts.

Earlier, Mr Kozo Igarashi, the construction minister, said his ministry would "assume responsibility" for officials' failure to prevent the bribery cases. "Top officials cannot be exempt from responsibility," he said. This is believed to be the first time a ministry has made such an offer.

The latest to be detained are

two accountants from Kajima, the second largest and most politically influential construction group. They were suspected of destroying evidence of illicit payment to politicians after the arrest last March of Mr Shin Kanemaru, the former political godfather of the then ruling Liberal Democratic party.

Those charged to date include two mayors and two prefectural governors, plus executives from six construction companies, including Japan's top three.

So far, no national politicians - apart from Mr Kane-

maru - or central government officials have been charged in the bribery cases, despite the huge amount of information prosecutors are expected to have collected from those arrested.

The likelihood that national politicians or officials could be implicated increased with the recent arrest of Mr Shinji Kiyoyama, vice president of Kajima, which counts many former bureaucrats on its staff. As in previous scandals, the final decision depends on how far prosecutors feel it necessary to go to assuage public opinion.

# Industrial outlook still sluggish

By William Dawkins

JAPANESE industry continues to drift in the doldrums, according to the latest production figures.

Industrial output fell by 5 per cent last month from September 1992, and registered a 1.5 per cent rise from the August level, said the Ministry of International Trade and Industry yesterday.

That was better than the

market expected, but Miti warned that the month on month improvement is shaky.

Companies expect a sharp drop in production next month, followed by a rise in November. The general outlook is sluggish, Miti said.

Companies appear to have difficulty in getting rid of excess stocks, down a mere 0.6 per cent from August to December, while the prospects for demand are unclear.

Any hopes that overseas markets will help to lift Japan out of recession were further disappointed yesterday when car producers reported that exports fell by 11.7 per cent in the six months to September, compared with the same period last year. That was the sharpest six monthly drop for nearly 15 years, said the Japan Automobile Manufacturers' Association.

A 31.9 per cent rise in

exports to other Asian countries over the six months was not enough to compensate for declines in exports to the US and the European Community, Japan's two main foreign markets, where local production by Japanese manufacturers has been increased.

The association expects sales to Asian countries to decline, partly due to China's attempts to cool its economy.

# HK talks counted out after 15 rounds

By Tony Walker in Beijing

SIR ROBIN McLaren, Britain's chief negotiator in talks with China over Hong Kong, yesterday cast doubt on whether agreement would ever be possible. The vexed negotiations have dragged on inconclusively for 15 rounds since last April.

"I am still uncertain as to whether we can achieve an agreement," Mr McLaren said after two days of talks in Beijing. The two sides have agreed to meet again on November 19 and 20. There still existed "quite a gap" between the parties. He called on the Chinese to be more flexible, but China has shown almost no willingness to compromise in the marathon negotiations.

Beijing has denounced proposals by Hong Kong Governor Chris Patten for an extension of the franchise for municipal elections due next year, and a Legislative Council (Legco) poll in 1995.

China claims that Mr Patten's plans contradict prior agreements on the smooth transition of power to Chinese rule in 1997. They have threatened to dismiss representatives elected under the proposed Patten formula.

The Hong Kong issue will be discussed at a cabinet committee meeting in London on November 10. The session, presided over by Mr John Major, Britain's prime minister, will be briefed by Mr Patten.

Hong Kong's governor said earlier this month that he would be obliged "within weeks" to present to Legco legislation detailing an extension of the franchise for elections. Such a move would be likely to bring negotiations in Beijing over Hong Kong's future to a shuddering halt.

# China ends S African trade ban

By Tony Walker

CHINA is formally resuming trade and economic ties with South Africa after a break of more than 30 years, Beijing announced yesterday.

China's Ministry of Foreign Trade and Economic Co-operation (Moftec) said it was responding positively to calls by Mr Nelson Mandela, president of the African National Congress, for a lifting of economic sanctions.

Beijing, which opened a visa-issuing representative office in Pretoria last year, has been trading discreetly with South Africa for years.

In April, the China Council for the Promotion of International Trade mounted an exhibition in Johannesburg at which 80 Chinese companies were represented.

Bilateral trade in the first seven months of this year was put at \$294m (£194.7m), an increase of 285.7 per cent over the same period in 1992.

Formal resumption of trade and economic ties, suspended in July 1960, is a further step towards the establishment of full diplomatic relations between Beijing and Pretoria.

South Africa has continued to maintain diplomatic ties with Taiwan.

China's gross national product is expected to grow by 10 per cent in 1994, according to an economic model developed by the State Statistical Bureau. This compares with an expected 13 per cent growth this year.

Capital investment was projected to grow 20 per cent in 1994, retail sales 30 per cent, and consumer prices about 10 per cent.

# Taba talks make progress

By Julian O'zanne in Jerusalem

ISRAELI and Palestinian peace negotiators wound up their third round of talks yesterday after having made steady progress throughout the week on security issues.

The Palestinian team yesterday said they wanted a police force of 25,000-30,000 equipped with machine guns, helicopters and armoured vehicles. Palestinian officials said there was broad agreement on the police force, but Israel wanted a smaller one equipped with less heavy weaponry.

The police force would be divided into a general force for crime, and special forces for security, intelligence and anti-riot measures. The Palestinians have proposed a police training camp set up in Gaza in the coming weeks.

"By and large I think there is not a big problem on the question of a police force," Mr Ahmed Khalidi, Palestinian delegate, said.

Both sides have had preliminary talks on possible joint control or a joint presence at border crossings, especially at the Rafah crossing from Gaza to Egypt. If agreed, this would mark a considerable Israeli concession.

Deeper splits have emerged about the jurisdiction of the

Palestinian police force over Jewish settlers in the Gaza Strip, the right of Israeli police to pursue Palestinians, and the release of political prisoners.

Some Palestinians have accused Israel of reneging on an agreement gradually to free most of the Palestinians held in Israeli jails, numbering up to 14,000. But Israeli officials said "no more free gestures" would be made.

They were expecting reciprocal gestures from the Palestinians, said to include a Palestinian call to suspend the Arab economic boycott against Israel and assurances that Palestinians who have allegedly collaborated with Israel would not be harmed once the Israeli army starts leaving Gaza and Jericho on December 13.

Israelis and Palestinians at the talks, being held at the Egyptian Red Sea resort of Taba, have said that despite the differences there is a momentum, and both sides have praised each other's willingness to seek compromises.

Next week, issues such as the transfer of power from the Israeli-run civil administration to Palestinian hands and the territorial definition of the Jericho area will be tackled. The first visit by a joint Israeli-Palestinian security team to Jericho and Gaza is due next week.

# NZ voters offered six by one, half dozen by the other

Nikki Tait on an election in which the main parties differ little both in what they've done and what they promise to do

WHILE world markets look on admiringly at the pace and nature of New Zealand's economic reforms and push its currency higher, the country's population appears battered and confused by the changes.

So much so that, if the opinion polls are any guide, voters look more inclined unenthusiastically to back the known policies of Mr Jim Bolger's ruling National Party than risk further upheaval with Mr Mike Moore and Labour on November 6.

"It's a question of Tweedledum and Tweedledum-ber," says one well-beeled Wellington resident. An unemployed Maori youth in Christchurch, after spending a morning listening to Mr Moore's plans to alleviate youth unemployment, is blunter. "I don't have much time for National," he says, "but what if he [Moore] is wrong? It'll be a blood-bath."

The one economic statistic in everyone's mind is the unemployment rate of 9.9 per cent. It is down from a high of 11.2 per cent last year, but it feels as bad because of the

benefit cuts that were enacted in 1991 as part of the country's debt reduction package.

Newspapers run stories of a ten-fold increase in demand for Salvation Army food parcels over the past three years. Mr Moore challenges Ms Ruth Richardson, finance minister, to visit the food queues.

In political terms, both the main parties are tainted with responsibility for the pain. It was the Labour Party, under former prime minister David Lange, that began the economic revolution, doing away with decades of heavy protectionism, initiating widespread privatisations and advocating monetary prudence. Mr Moore was a part of that regime.

After six years, New Zealanders decided they had had enough. But, with the world economy slipping into recession, the new Bolger government simply went further down the free-market reform track. It attacked welfare benefits and replaced the country's "cradle-to-grave" welfare system with a more targeted one. And it produced labour market legislation - the

## New Zealand



Employment Contracts Act - which did away with the traditional system of national occupation awards in favour of workplace bargaining with or without unions.

If voters think that both sides are to blame for the more unpalatable aspects of the economic shake-up, of the past, they also see relatively little to distinguish their policies for the future. The low inflation target

-2.0 to 2.0 per cent - is locked in by the Reserve Bank Act, although both Labour and National also offer a public commitment to price stability.

National talks of reaching and maintaining economic growth of 3.5 to 5 per cent; Labour wants 4 per cent. It is reckoned to be about 3 per cent now. Both parties, moreover, pledge to reduce the country's debt burden by keeping a tight rein on government expenditure and eventually achieving budget surpluses.

Mr Moore's social policy agenda is the more generous - focused on a halt to commercialisation of the health service, increased help for the jobless, and no more privatisations. However, Labour would not reinstate the benefit cuts made so painfully by National, and some of its headline proposals - such as a repeal of the Employment Contracts Act and community work for the young unemployed - do not have an immediate cost.

That said, even Labour party members admit that the country would need to see their 4 per cent annual growth by 1996 if everything

promised in the manifesto is to be implemented.

That, in turn, has allowed National to suggest that the Labour strategy could run the risk of higher taxes - something which Labour has never emphatically denied. For its part, National says that it has ruled out new taxes, although Ms Richardson admits that she has not rejected "closing loopholes".

Fudge, retorts her opponents. The big card that Mr Bolger has been able to play is timing. Although the jobless figures may be in the forefront of many people's minds - and Mr Moore is using every opportunity to ensure that they stay there - there is evidence that the economy is picking up. Mr Bolger is plainly hoping that the scent of this will deter the electorate from changing course.

Expert performance has been strong despite the appreciating currency. This week the September trade figures showed a 4.3 per cent increase in exports, year on year, bringing the total for the last 12 months to a record NZ\$8.3bn

(£3.5bn).

The September trade deficit was significantly reduced from the same month in 1992 and the trade surplus for the year was NZ\$1.7bn.

There are signs, too, that this expected turnaround is at last beginning to filter through to the domestic economy. Home loan rates, for instance, fell to below 8 per cent just after the election was announced to September were 22 per cent higher than the previous year.

Business leaders, who claim to have relatively little interest in which party wins, given the similarity of their basic economic strategies, also say the outlook has brightened considerably. "It's generally very positive," commented Mr Ray Harding, head of the Wellington Chamber of Commerce.

"Everyone's margins were squeezed to hell, and that's reflected in the unemployment levels. But balance sheets are now a little easier, and there are signs of domestic recovery, although that's a relatively recent change."



## Changing of guard on the way for US mayors

By George Graham in Washington

MANY of the US's largest cities will wake up next week with new mayors after elections on Tuesday that could mark a changing of the guard among urban politicians.

In the largest city holding an election this year, New York, Mr David Dinkins, the incumbent mayor, faces the same challenger he defeated four years ago, Mr Rudolph Giuliani.

But in a dozen other big cities, incumbent mayors are retiring, bringing forward a new line-up of urban leaders.

"There is definitely a changing of the guard. Some of it is institutional, reflecting a pervasive desire for change in American politics, and some of it is generational," says Mr David Bositis of the Joint Center for Political and Economic Studies, a Washington think-tank.

A particularly notable shift is the departure of the first generation of black mayors in cities such as Detroit, where Mayor Coleman Young is standing down after 20 years in office, and Atlanta, where Mr Maynard Jackson first served as mayor in 1974 and returned four years ago for a final term.

Younger black leaders, such as Mayor Freeman Bosley in St Louis or Mayor Mike White in Cleveland - who is up for re-election on Tuesday - have philosophies less deeply rooted in the experience of the civil

rights movement of the 1950s and 1960s, Mr Bositis says, and may be more open to proposals such as bussing school pupils to ensure racially integrated schools.

There is also an evident tendency for black candidates to come to the fore in cities where blacks do not make up the majority of the population; they are running not on the basis of race but on a mostly liberal policy platform.

Following in the footsteps of Mr Bosley in St Louis or Mr Norm Rice, who is up for re-election in Seattle, Ms Sharon Sayles Belton, the current Minneapolis city council president, appears to be the leading candidate to succeed Mayor Donald Fraser, who is retiring after 14 years.

If younger candidates are benefiting from a general desire to throw out the old politicians, similar to the wave ridden by Mr Ross Perot in last year's presidential elections, they will also find it difficult to do any better than their predecessors.

A mayor's ability to deal with many of the dominant problems raised in this year's campaign, such as crime, is severely limited at the best of times, but particularly today, when virtually all cities are facing severe budget constraints.

"Being a mayor is not an attractive job in many places because they don't have the resources," said Ms Margaret Weir of the Brookings Institution, another Washington think-tank.

## Fujimori set to secure his hold

Peruvians likely to vote Yes in constitutional referendum, writes Sally Bowen

FOR A country still widely perceived as deficient in democracy, Peru has put its citizens through quite a number of electoral procedures in recent months.

On Sunday, across the nation, Peruvians will go to the polling booths for the third time in less than a year, this time to vote on a new constitution drawn up by the congress they elected last November.

It is the country's first ever referendum. The topic is so complex that, according to polling organisations, only one Peruvian in 10 has any real idea of what he is voting on.

The government, while spending substantial sums on advertising, has done little to inform voters - the campaign was reduced to a catchy jingle with the slogan: "Say Yes to the Peru you love".

If its 1979 predecessor was statist and idealistic, the 1993 constitution is being officially sold as the gateway to modernity. Mr Jaime Yoshiyama, President Alberto Fujimori's vice-president, says it offers "confidence, security and tranquility". A Yes vote, he says, is a vote for "the clear path towards prosperity".

In the event, the new constitution, backed by Mr Fujimori's ruling alliance and a handful of small opposition parties, seems on course for approval, although by a smaller margin than at first thought. Last minute opinion polls - which by law cannot be published inside Peru in the two weeks prior to voting - were predicting that more than 60 per cent of all

The constitution is being sold as the way to modernity

voters would reject it. The No vote seems to have been gathering ground in the past 10 days, to particular in small provincial towns and remote rural areas, precisely the parts which pollsters cannot reliably reach.

"Despite Mr Fujimori's attempts to turn this into a plebiscite rather than a referendum, Peruvians are not seeing it that way," says Mr Alfredo Torres, of the Lima-based research and polling organisation Apoyo. "Many people who broadly support Mr Fujimori are going to vote No, especially at the lower income levels."

The No campaign has been a makeshift affair. Bereft of financing and a key figure to lead it, the campaign has nevertheless managed to focus attention on certain specific constitutional articles. The issues which have aroused most popular opposition are the elimination of "labour stability" - a long-cherished article of faith with the Peruvian workforce - and the threat to free education for all (though proposed changes will affect only the better-off and those at university level).

In fact, the bulk of the "new" constitution remains identical to its predecessor. Constitutional expert Mr Domingo Garcia Belaunde calculates that 60 per cent is unchanged, 30 per cent has been "fine-tuned" and only 10 per cent is genuinely new.

Several of these innovations enjoy wide popular backing: the introduction of the death penalty for convicted high-ranking terrorists; the support of most Peruvians, as does the modification which allows a serving president to run for an immediate second term.

Less popular, but also less emotionally charged, are changes in the mechanisms of

governance. If the new constitution is approved, Peruvians will in future elect a single chamber congress of 120 members instead of the traditional two-house, 240-member parliament. And, at local level, the 12 large and semi-autonomous regions formed at the end of the Alan Garcia government will be eliminated.

The upshot is that post-referendum Peru will be even more centralised than before. And this despite Mr Fujimori's pledges in May 1992 to the Organisation of American States (OAS) that he would install a "genuine" democracy in Peru in place of the "partidocracy" that has traditionally governed.

In a series of advertisements in local papers this week, the Lima-based Institute for Liberty and Democracy (ILD), headed by former presidential adviser Mr Hernando de Soto, has criticised Mr Fujimori for going back on his pledge.

"This constitution... has been drawn up without any popular participation, by congressmen chosen by their party machines and who ran in single, closed lists," the ILD says. "This is not a real referendum... [but] a plebiscite."

Peru's new constitution will also enhance the already sweeping powers of the executive. The president will be able to dissolve congress in the face of "grave conflict" between executive and legislature. And he will no longer have to secure congressional ratification for the ambassadors and senior military officers he appoints.

Mr Fujimori argues these constitutional modifications actually redress the balance of power, which had previously been weighted in favour of the legislative branch. He says he expects a "resounding" success in Sunday's poll - resounding, in his view being a 70-30 vote in favour.

In the run-up to the poll on Sunday, some resilient bands of Sendero Luminoso (Shining Path) guerrillas were doing their best to put a damper on official optimism, with bombings and selective killings in Lima and the provinces. But all the indications were that Mr Fujimori would safely clear the last hurdle on his long road back to legitimacy.

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## Aristide calls for blockade of Haiti

By Michael Littlejohns, UN Correspondent, in New York

MR Jean-Bertrand Aristide, the exiled president of Haiti, called yesterday for a total blockade of the country, insisting it was essential to force the military to give up power.

But in a speech to the United Nations General Assembly, he also sounded a conciliatory note, sending what he termed "a message of peace to the officers and men of the army of Haiti" who ousted him from power two years ago.

Mr Aristide, who was to return to Port-au-Prince tomorrow under the UN-brokered agreement signed on July 3, promised the Haitian people his eventual return to office would be followed by sweeping change to end "institutionalised violence", restore democracy, revamp the economy and provide jobs for an estimated 70 to 80 per cent of the country's employed people.

Calling on Haitians rich and poor to "march hand in hand", he said they should reject vengeance and "say yes to reconciliation, yes to justice".

His proposal of a total blockade is in line with a French plan already circulating in the UN Security Council that would prevent virtually all trade with Haiti - regarded as the poorest country in the western hemisphere, but according to Mr Aristide, potentially one of the richest.

US, Canadian and French warships began a blockade on October 18 to enforce an oil and arms embargo after Lt Gen Raoul Cedras, the Haitian military leader, refused to relinquish power as he had agreed to do in the New York accord. George Graham adds from Washington: President Bill Clinton declined to say what options his administration was considering on Haiti, but warned military leaders they would be making a "grave mistake" if they went on "thwarting democracy's return".

"If [Port-au-Prince police chief Michel] Francois and the others in Haiti believe that all they have to do is to wait out Aristide and everything will somehow be all right, and that the international community will put up with the re-establishment of a Duvalier-like regime there in plain violation of the overwhelming majority of the people of Haiti, I think they are just wrong," Mr Clinton said.

## Chile set to overshoot inflation target

By David Pilling in Santiago

CHILE is unlikely to meet its 1993 inflation rate target of 12 per cent after indications of a sharp rise in prices in October. The central bank predicts a monthly rise of around 2.5 per cent, bringing the accumulated rate for the first 10 months of the year to 11 per cent.

Mr José Pablo Kuczynski, budget director, attributed October's rise to the seasonal bias of the consumer price index, especially in its measurement of food prices. "But November and December can produce very low levels of inflation and we may be very close to our annual target," he said.

Control of inflation, which was brought down from 5 points to 12.7 per cent last year, has been a key plank of Chile's macro-economic policy.

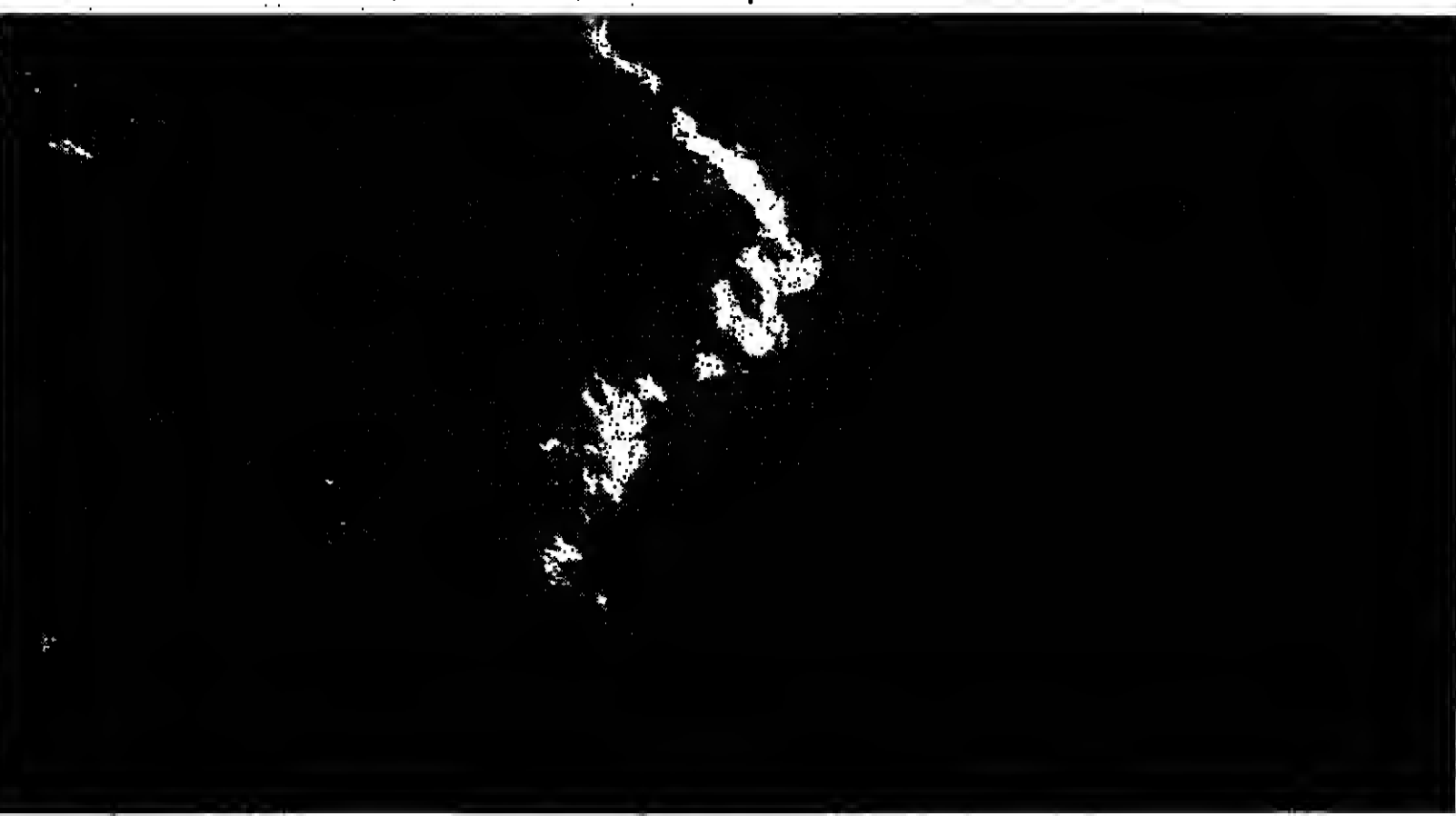
A controversial \$500MW dam in southern Chile, potentially the first phase of a \$8bn hydro-electric project, is likely to begin operating in 1997 following signing by the International Finance Corporation of a \$120m loan deal. The Pangu dam, already under construction, is likely to cost \$450m.

Agreement from the IFC, which also plans to take an equity stake of up to \$4.7m, removes an important obstacle from a project plagued by environmentalist opposition and courtroom wrangles.

Opponents say Pangu, the first of a possible six dams, will endanger the ecosystem of the Bio-Bio river and threaten the Pehuenche Indian culture.

Endesa, the dam's main shareholder, says environmental impact will be minimal: only 400 hectares of land will be flooded and a handful of people relocated.

Although the IFC agreement has been signed, disbursement of funds depends on "completion and public release of a satisfactory downstream impact study", according to Mr Kent Lupberger, IFC manager for the region.



Firefighters could do little to halt the progress of a 7-mile wall of fire at Laguna Beach, California. More than 24,000 people were ordered to evacuate the town.

## Californian counties declared disaster areas

By George Graham in Washington and Agencies

PRESIDENT Bill Clinton yesterday declared five counties in southern California major disaster areas in response to the brush fires that have so far destroyed at least 600 homes to the region.

Mr Clinton also sent Mr Bruce Babbitt, the Interior Secretary, and Mr James Lee Witt,

director of the Federal Emergency Management Agency, to California to help co-ordinate government action.

"It's a huge fire out there and we are going to do whatever it takes to help the people," Mr Clinton said.

Fifteen major wildfires continued burning out of control yesterday across 88,000 acres stretching from the Mexican border to Los Angeles' north-

ern suburbs, giving rise to unofficial damage estimates running into the hundreds of millions of dollars.

At least 30,000 people were forced to flee their homes, while 24 firefighters were hurt, three critically, and at least 12 civilians were reported injured in the blazes.

Hardest hit was the affluent suburb of Laguna Beach, where a 7-mile wall of fire

advanced toward the sea, devouring more than 300 homes, some of them million-dollar mansions. The town's entire population of 24,000 was ordered to evacuate.

Even Malibu, the up-market coastal enclave of movie stars and millionaires, was feeling the heat. Up to 15 homes sitting atop steep canyons were reported to have gone up in smoke.

"It is a little too early to make any estimates," said Ms Loretta Waters of the Insurance Information Institute.

State Farm Fire and Casualty holds the largest market share of homeowner insurance in California, with about 22 per cent, according to the institute. Allstate is next with 15.8 per cent and Farmers Group is third with 13.6 per cent.

## Tensions throughout IADB

Stephen Fidler on a study of the bank's internal conflicts

A REPORT presented this month to the board of the Inter-American Development Bank (IADB) shows the bank obsessed with a culture of control and subject to tension and conflict at all levels of the organisation.

The report on Latin America's Washington-based regional development bank was commissioned this year by its president, Mr Enrique Iglesias, as part of discussions among government shareholders about increasing the bank's capital.

The report was produced by a six-man "task force" headed by Mr Moeen Qureshi, a former World Bank official who has just stepped down as caretaker prime minister in Pakistan.

Mr Qureshi said yesterday that the group found the bank had an impressive loan portfolio given Latin America's economic difficulties during the 1990s. The bank was probably closer to its borrowers than any other development institution, "which opens possibilities as well as creates problems for the institution", he said.

The report said the bank had "given a high degree of confidence that funds are being used for intended purposes (which is important) but it places concern for results in a distant second place."

This emphasis had slowed decision-making - the process of loan development and approval takes 18 to 24 months

- and created an aversion to taking risks. It meant insufficient use had been made of the bank's country offices because most decisions were made at head office. The bank's board was also "excessively involved in operational matters, not enough in policy".

According to the report, the control mentality has meant "tensions and conflicts which are more intense than in other development institutions are found at all levels of the bank's organisation". This mentality stemmed from the bank's ownership structure and history.

Latin American borrowing members own a majority of the bank - 53.8 per cent - while the US stakes is 34.61 per cent. However, only the guarantees of the non-borrowing members are used when the bank raises money in international markets. This means that every dollar raised by the IADB is almost 75 per cent guaranteed by the US government.

Meanwhile, borrowing countries have unduly influenced the allocation of resources, selection of projects, and senior appointments at the bank, the report said.

This had led to a mistrust of management among non-borrowing members. "The bank's shareholders should consider how they can, collectively, reduce the politicisation of the bank," it future, borrowing

shareholders should recognise they are not entitled to bank resources but have to earn them through good performance. Management also needed a freer hand in day-to-day operations with the board focusing on policy, but had to be held more accountable for its mistakes.

The importance of change at the bank was heightened by the likely future emphasis on lending for social programmes such as health, education and poverty alleviation. Such loans were inherently more difficult to administer than traditional project or balance of payments lending, in part because of the weakness of government agencies dealing with these sectors and the difficulty in measuring the results.

The report makes 21 recommendations for change at the bank, which last year approved a record \$6bn (\$2.5bn) in loans and mobilised \$870m in co-financings, mainly with the Japanese government.

It advises that more power be delegated to country offices and procurement procedures be modified.

The report was presented to the board last week. Discussion about a capital increase will continue in a working group, expected to put proposals to a board meeting in Washington in mid-December.

Last year, the US administration aired the idea of a once-and-for-all capital increase for the bank. This now seems

unlikely, although the idea of automatic capital increases every few years, as in the past, is losing favour.

However, there is growing confidence that calls from some non-regional shareholders - in particular Germany and Japan - for a greater stake in the bank can be accommodated by cuts in the stakes held by regional members. This would mean the US accepting a reduction in its shareholding, though not losing its veto and delaying rights as the largest single shareholder.

In another development, the future as a separate entity of the bank's private-sector loans and equity investment arm, the Inter-American Investment Corporation, appears in jeopardy. It has not secured US backing for a capital increase. This is likely to require the bank itself, which has not lent directly to the private sector, to play a bigger role in helping private-sector development.

Mr Iglesias said in April that a capital increase of \$30bn-\$40bn would let the bank go on lending at the current rate. Bank management hopes that an increase can be agreed to allow for a formal accord at the bank's annual meeting in Guadalajara, Mexico, in April. The last capital increase of \$36.4bn was agreed in 1989, allowing the bank to expand its lending by \$22.5bn in the four-year period ending this year.

## Corruption inquiry starts in Brazil

By Angus Foster in Rio de Janeiro

BRAZIL's financial authorities yesterday began investigating the bank accounts of nearly 40 Congress members allegedly involved in the corruption scheme unearthed in the government's budget.

Eight of the country's biggest construction companies will also have their bank accounts and phone records opened to scrutiny as the parliamentary inquiry into the allegations gathers pace.

The inquiry is into allegations made 10 days ago by Mr José Carlos Alves do Santos, a former budget official. He claimed Congress members and other politicians received fees for arranging the inclusion of construction projects in the government's budget, and diverted budget funds to personal schemes.

So far 37 politicians have been implicated, including several senior figures and five former and serving government ministers. But the inquiry is having difficulty finding documentary proof that payments were made and hopes for a breakthrough from the bank accounts.

The 44 congressmen sitting on the inquiry voted to open their own bank accounts to scrutiny, to avoid allegations of involvement to the scheme.

## US reaffirms its hard line towards Cuba

By Lisa Branstetter in Washington

THE US this week firmly rebuffed speculation that there would be a thawing of relations with Cuba, despite speculation that President Bill Clinton might relax the decades-old embargo.

Mr Alexander Watson, assistant secretary of state for Inter-American affairs, pledged total support for last year's controversial Cuban Democracy Act, which tightened many areas of the embargo, including extending it to foreign subsidiaries of US companies.

Speaking at a conference sponsored by the conservative Cuban-American National Foundation this week, Mr Watson addressed directly "a misconception that has emerged from time to time in the press and elsewhere... that the Clinton administration intends to soften its policy towards the Cuban regime. That is false. We can neither trade nor negotiate away the human and political rights of the Cuban people."

Mr Watson's speech, however, was not laced with the traditional squeeze-Castro-into-submission rhetoric favored by many of the most conservative Cuban-Americans. Instead he focused on the need to increase

the flow of information into Cuba and said the Cuban Democracy Act had allowed substantial amounts of humanitarian aid to go to private organisations in Cuba.

Members of more moderate groups who favour negotiations with the communist state said they were not surprised by the administration's tough talk especially given crucial support the powerful foundation gave Mr Clinton in last year's elections.

"He is sacrificing a rational policy for a campaign pledge," said Mr Kevin Harris of the Cuban-American Research and Education Fund. But there were promising signs in the actions if not the words of the administration, he said.

Last month, for example, Cuba turned over to the US two suspected cocaine traffickers who had fled to the island. In another sign of co-operation, the US in September agreed to repatriate Cubans who came to the US in the 1980 Mariel boatlifts and have been convicted of felonies in the US.

Congressman Robert Torricelli, one of the loudest advocates of maintaining the stringent embargo on Cuba, said he had asked Ms Janet Reno, the attorney general, to prosecute a group of US citizens who he said violated the embargo by traveling to Cuba as tourists.



## S Korea to open its procurement market

By David Dodwell,  
World Trade Editor

SOUTH KOREA has agreed to open its government procurement market to international competition during intensive negotiations in Geneva aimed at completing the Uruguay Round of talks on world trade liberalisation. This includes the sensitive construction sector.

Offers are now awaited from just four of the 12 countries engaged in negotiations on opening government procurement contracts to international competition: Canada, Switzerland, Singapore and Israel.

As negotiators yesterday completed the latest round of procurement negotiations, they talked with increasing confidence of resolving differences ahead of the December 15 deadline for agreement on the Round.

A new draft of a procurement text is due to be circulated at the end of next week, with a report due in two weeks on the outstanding obstacles. A final week of negotiation will start on November 15.

Over the past week, improved offers have also been tabled by Japan, the US, and the European Free Trade Association.

Mr Peter Sutherland, Gatt director general, yesterday sought to reassure India and other developing countries that they stood to gain from a successful conclusion to the Uruguay Round of trade talks, Stefan Wagstyl writes from New Delhi.

Indian ministers said they accepted the assurances, during a visit by Mr Sutherland, and urged a speedy conclusion to the talks. But protest groups of farmers, trade unionists and others, who staged angry demonstrations in the streets of Delhi, vowed to fight for changes in the draft agreement prepared by Mr Arthur Dunkel, Mr Sutherland's predecessor.

Construction countries of Norway, Sweden, Finland and Austria. South Korea has agreed to open all government procurement contracts in goods and services, all construction contracts, and all contracts for goods from para-statal organisations.

This follows agreement early this week by Japan to open its scandal-ridden construction sector to international competition. Japan has apparently increased the list of services contracts it is willing to open to international tender, and has added 47 para-statal entities to the list of organisations to be bound by the agreement.

Differences still exist about the threshold above which contracts must be open to competition, but there appears to be convergence on the issue. The US, which initially pressed for extremely low thresholds, has

raised its proposal to SDR355,000 (\$335,000) for contracts for goods and services, and SDR45m in construction contracts. It has raised its proposed threshold for contracts from central government entities to SDR100,000, in line with other offers on the table.

Japan remains out of line on this issue, but has agreed in principle to lower its proposed SDR15m threshold for construction contracts.

Apart from the thresholds issue, differences remain on how companies might challenge a government if it reneges on its commitment to give foreign companies fair access to procurement contracts, and how they might win compensation. Differences have to be resolved on rules that would bind non-government organisations to the new procurement regime.

## Israel seeks a better deal from EC

Improved terms wanted for farm and high-tech products, says Julian Ozanne

ISRAEL and the European Community are negotiating a comprehensive agreement which will reduce Israel's \$5bn (£3.3bn) trade deficit with the EC and give the Jewish state substantially improved access to the EC market and Community programmes in research and development.

Israel, however, has voiced strong criticism about the slow progress and the unfavourable EC response to Israel's request for improvement in the access of agricultural and high-tech exports to the European market.

Mr Yitzhak Rabin, prime minister, accused the Community this week of "dragging its feet" in improving economic ties with Israel in the wake of the historic Israeli-Palestinian peace accord.

For several years Israel has been pushing the EC, its main trading partner, to update and improve their 1975 free trade agreement.

Israeli officials say new EC agreements with other countries and changes in Israel's production have eroded the concessions of the 1975 agreement and in some cases made it obsolete.

Israel is also concerned about the growing trade deficit with EC countries. Last year

## QATAR DENIES AGREEMENT ON GAS

Qatar strongly denied yesterday that it was close to signing a gas supply agreement with Israel or that it had even held talks with the Jewish state on such a deal, despite recent statements from the Israeli government to the contrary, write Mark Nicholson in Cairo and Julian Ozanne in Jerusalem.

Israeli officials, including Mr Moshe Shahal, energy minister, continued to insist, however, that a deal with an unnamed Gulf Emirate

would be signed within weeks and would focus on the shipment of gas to the Israeli port of Eilat and the construction of a gas pipeline between Eilat and the Israeli port of Ashkelon for export to Europe. Unofficially Israeli officials have named Qatar as the country involved but they have refused to name it publicly.

Mr Abdullah bin Hamad al-Attiyah, Qatar's minister of energy and industry, said: "We stick with the Arab boycott."



Rabin: EC "dragging its feet"

Israel exported goods worth \$4.5bn to the EC and imported \$3.5bn. The trade deficit with the EC, which is expected to widen this year, accounted for 86 per cent of Israel's total trade deficit in 1992.

Israeli officials say the EC had been holding back from revising the agreement until Israel made substantial progress on Middle East peace talks. Last month's peace agreement paved the way for the preparation of a Commission mandate, which lays the framework for negotiations. The mandate is before the Council of Ministers which is expected to approve it in its meeting in December. Bilateral negotiations will then begin, leading to a final agreement late next year.

Under the mandate the new

"association" agreement, similar to EC agreements with eastern European and Maghreb countries, will significantly update and improve Israel's ties with the EC.

Among the new provisions will be Israeli full associate membership of EC research and development programmes, the inclusion of trade in services and bidding for public procurement contracts, an institutionalised political dialogue, and co-operation in customs, environmental policy and the fight against drug trafficking.

Israel has welcomed the prospect of a new agreement, and has praised the EC role in responding with a quick \$600m (\$397m) aid budget for the occupied territories. It is, how-

ever, disappointed the EC has not responded positively to its call for revision in the conditions that determine the access of Israeli high-tech products, agricultural goods and textiles into the EC market.

For high-tech products Israel would revise the rules of origin and agree to a mutual recognition of standards, tests and certificates which currently act to bar Israeli products.

In agriculture it wants an improvement in the trade of fresh and processed products to increase tariff quotas, shift existing quotas to new products, provide for the export of new products not covered by the 1975 agreement - such as exotic fruits - and let out flow-ers enter the market on the same terms as those from

countries like Kenya and Zimbabwe.

Israel, which last year sent \$470m in agricultural exports to the EC, also wants the EC to include more products that use water-efficient technology. On textiles Israel is calling for equal terms to those enjoyed currently by east European and Maghreb states.

"We are asking for quick and bold decisions and not arguments over every percentage point," an official said. "Sometimes it seems to us that Europe wants to give birth without having any pains."

## Another Major Advance in Air Traffic Control



The Civil Aviation Authority is continuously improving Britain's air traffic control system to make it more efficient and to reduce delays.

Last weekend the approach radar controllers from Heathrow and Gatwick airports joined their colleagues, responsible for London Terminal Operations, in a purpose-built operations room at the London Air Traffic Control Centre at West Drayton. The movement controllers operating from the Visual Control Rooms remain at the airports.

It's the key part of a system which will enable controllers safely to handle at least 30 per cent more flights over London and South East England - some of the world's busiest airspace.

The system - the Central Control Function - is part of the CAA's £150 million-a-year Investing for Growth programme to increase capacity to meet the growing demand for air travel.



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## NEWS IN BRIEF

### India software group to fight US action

INDIA'S largest software company is filing a suit in the US in protest at claims that it broke American law governing the conditions under which its Indian engineers were sent to work in the US, writes Stefan Wagstyl from New Delhi.

Tata Consultancy Services, a member of Tata, India's biggest industrial grouping, is reacting to a suit filed in California this month by Californians for Population Stabilisation, an anti-immigration lobby group, which alleges that Tata Consultancy and Hewlett Packard, the US computer maker, infringed American labour laws.

In a suit filed in the Superior Court of California, CAPS alleged that Tata, which had sent employees to work on contract at Hewlett Packard, had ignored US provisions on pay, holidays and payroll taxes. Tata Consultancy denies the claims and plans to file a counter-suit denouncing the CAPS action as malicious.

The suit comes amid growing concern among US software engineers that software engineers from India, the former Soviet Union and other countries are taking their jobs by working at a fraction of American rates.

Their cause was taken up by CBS, the television network, which this month broadcast a documentary alleging that Indian and other software companies were supplying low-cost staff to US companies.

The arguments are important for the international software industry because software engineers from poor countries are ready to work at lower rates than Americans.

### Hoffmann pulls out of India

HOFFMANN La Roche, the Swiss drugs group, is pulling out of its Indian subsidiary in a move which will not help the country's campaign to attract foreign investment, writes R C Murthy in Bombay and Stefan Wagstyl in New Delhi.

Hoffmann is selling its controlling stake in Roche Products to Mr Ajay Piramal, head of Nicholas Laboratories, a successful local pharmaceuticals maker, because of delays in promised revisions of price controls on drugs. Indian drugs prices are among the lowest in world because of government-imposed limits. They are periodically revised upwards but have generally failed to keep pace with inflation.

The impact of Hoffmann's move on India's efforts to attract other foreign companies may be limited, as the problems faced by drugs companies are specific to their industry.

Mr Piramal is paying Rs320m (\$6.6m) for a 74 per cent stake in Roche Products, which in the year to last March had sales of Rs711m.

### \$200m aircraft deal for Malaysia

MCDONNELL Douglas, the US aircraft manufacturer, has signed an agreement with Malaysia allowing Malaysian participation in the manufacture of equipment for McDonnell Douglas aircraft, writes Kieran Cooke from Kuala Lumpur.

The agreement, said to be worth more than \$200m to Malaysia over a 10-year period, is part of an offset programme resulting from Malaysia's decision earlier this year to buy eight F/A-18 McDonnell Douglas fighter aircraft. Mr Najib Abdul Razak, Malaysia's defence minister, said the offset programme would give the Royal Malaysian Air Force and local defence industry companies access to the latest aerospace industry technology.

### Nafta talks over, says Salinas

PRESIDENT Carlos Salinas has opposed renegotiating the proposed North American Free Trade Agreement with the new Canadian government, saying that "from our part we have stated that the negotiation is concluded", writes Damian Fraser in Mexico City.

"If you open one single line of the two thousand page text, you open everything else up for renegotiation... It's a good agreement for Mexico. It's a good agreement for the US, and we do believe it's also a good agreement for Canada," the Mexican president said in an interview with Sir David Frost.

The new Canadian prime minister Jean Chrétien said on Wednesday he may not implement Nafta without changes to protect Canada's energy reserves, and rules on dumping and unfair subsidies. It is not clear whether his demand would require a re-opening of the original treaty, or whether supplemental agreements to build on those that regulate labour and environment in the region would suffice.

### Ericsson in defence venture with Unimor

By Christopher Bobinski  
in Warsaw

ERICSSON, the Swedish telecommunications company, yesterday signed a joint venture agreement with Poland's Unimor company from Gdansk to produce defence equipment valued at \$100m for the country's armed forces.

The deal is the largest of its kind for Poland with an equipment supplier from outside the former Warsaw Pact country.

The mobile radio relay equipment is to be delivered to the Polish army over the next six years and Ericsson hopes to expand sales from Unimor to other east European countries and the Commonwealth of Independent States.

Unimor which makes TV sets, would control two thirds of the equity in the joint venture, which would involve a \$25m investment in new technology by the Swedish company.

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# Government pulls back from wholesale reform of police force

By David Owen

THE GOVERNMENT pulled back yesterday from controversial proposals to introduce fixed term contracts and reduced starting salaries for Britain's police forces.

However, it intends to cut about 2,000 middle-ranking police jobs and introduce performance-related pay for all ranks as part of a fundamental reform of police pay and conditions.

The proposals, outlined in the House of Commons yesterday, will also result in police pay being linked to an unspecified private-sector benchmark.

Ministers have decided against implementing many of the most radical proposals put forward by the government-appointed inquiry -

chaired by Sir Patrick Sheehy, chairman of BAT - into police rewards and responsibilities.

Mr Michael Howard, the home secretary, said the "very far reaching" reforms would help bring about more effective policing, while recognising the "unique nature" of a police officer's job.

The government, which intends to make law and order one of the principal unifying themes of the next parliamentary session, hopes to secure Royal assent for a bill implementing the changes by next summer.

Police leaders welcomed the package as "a triumph of common sense" and a vindication of their four-month campaign against the Sheehy proposals.

Mr Howard's announcement also met with a generally warm response from the Tory backbenches, with Mr Kenneth Baker, the former home secretary, characterising it as a "very sensible, practical and realistic response".

But Mr Tony Blair, the opposition Labour party's law and order spokesman, said there had "unquestionably been the great clamour of a government retreat" but it was still "entirely unclear" in what direction it was retreating.

He called for the ruling Conservative party to spell out more of the detail of its proposals in a number of areas.

Mr Robert MacLennan, the Liberal Democrat home affairs spokesman, said he was relieved Mr Howard rejected the "core" of the Sheehy proposals.

## Pop star claims Sony killed album

THE SINGER George Michael yesterday accused Sony, the Japanese electronics and entertainment company, of attempting to "kill" his last album as a punishment for his refusal to appear in a promotional video, Michael Shapiro writes.

The singer told the high court in London that Sony executives in the US had resisted his attempts to aim his music towards an older market and reduce his appeal to a younger female audience.

He is asking the court to declare his contract with Sony unenforceable because it represents an unreasonable restraint of trade and contravenes EC competition law.

George Michael agreed with Mr Gordon Pollock QC, Sony's counsel, that the company had never tried to dictate what image he should have.

In a written statement, the singer said he had decided to change his musical direction after the success of his album 'Faith'. He said he decided to appeal to a smaller, older audience in his next album, 'Listen Without Prejudice - Volume I'. He said Sony executives in the US failed to promote the album adequately in the US.

He added: "I gained the very strong impression that the album had been 'killed' in order to teach me a lesson."

## Leaders back secret talks on N Ireland

By Philip Stephens, Political Editor

THE PRIME ministers of Britain and Ireland will today give decisive political impetus to secret negotiations on a new settlement for Northern Ireland.

In a move to regain the initiative from the IRA and push into the background the Hume-Adams peace process, Mr John Major and Mr Albert Reynolds will consider proposals for a new constitutional settlement.

The proposals, drafted over recent weeks by an Anglo-Irish working party, would provide an "umbrella" for negotiations between the political parties in the province.

Its provisions - including changes to the Irish constitution and the creation of a number of powerful executive boards to increase in cross-border co-operation - would come into effect as part of an overall settlement.

That in turn would depend on agreement between the nationalist SDLP and the Unionists on the shape of political arrangements in the province to replace government from Westminster.

At the heart of any settlement would be a commitment by the Republic to replace its constitutional claim to jurisdiction over Northern Ireland with an aspiration to achieve a united Ireland.

In return Britain would acknowledge the legitimacy of that aspiration and would

agree to the establishment of a number of cross-border executive boards in areas such as transport, dealings with the European Community's social funds and tourism.

Today's meeting in Brussels will follow a strongly positive response yesterday from London to the set of "guiding principles" for any agreement set out this week in the Dublin parliament by Mr Dick Spring, the Irish foreign minister.

Mr Spring's declaration that the consent of the people of Northern Ireland was essential for any change in the status of the province was welcomed in Downing Street.

There was acknowledgment among UK government officials that the peace process drawn up by Mr John Hume of the SDLP and Mr Gerry Adams, the Sinn Féin leader, still present political hazards for any intergovernmental settlement.

Mr Reynolds, who is expected to outline the Hume-Adams plan in today's meeting, believes that some elements could be incorporated into any agreement between the two governments. The Dublin government believes also that it must take seriously the possibility of an IRA ceasefire.

But senior British ministers said that Mr Major could do nothing to indicate that Mr Adams had any role in negotiations unless and until the IRA announced a permanent and unconditional cessation of violence.



Chancellor of the exchequer Kenneth Clarke arrives for a meeting of the cabinet yesterday which failed to agree public spending targets despite three hours of talks

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## Discount wholesalers to be viewed as retailers

By Neil Buckley

WAREHOUSE shopping clubs should still be assessed as retailers in spite of Wednesday's ruling in the High Court that a local authority has been right to treat the UK's first proposed discount store as a wholesaler, the Government said yesterday.

The UK's three biggest supermarket chains J Sainsbury, Tesco and Sainsbury, had attempted to block the development by US club operator Costco, at Thurrock in Essex, on the grounds that it should have been considered a retailer, not a wholesaler, and so been subjected to tougher planning criteria.

But Mr Justice Schiemann ruled on Wednesday that Thurrock was entitled to assess the project as a wholesaler.

The department of the environment said yesterday it expected local authorities to abide by a planning policy guidance note, called PPG6, it issued in July, which advised that "planning decisions should regard [warehouse clubs] as retail uses".

The DoE stressed the judgment referred to one specific case before publication of PPG6.

## SmithKline consolidates UK centres for research

By Daniel Green

SMITHKLINE Beecham, Britain's second biggest drug company, is to spend more than £200m consolidating its research and development centres. No jobs will be lost but 1,000 people will be asked to relocate, the company said yesterday.

SmithKline is buying the 40 acre site of BP's maritime centre in Harlow, Essex, which is next to one of its existing R&D centres. This will enable the company to stop R&D at four of its seven centres: Brockham Park, Great Burgh and Reigate, in Surrey, and at Worthing in Sussex.

"There will be significant cost savings through reduction in operating costs by maintaining fewer sites," it said.

The acquisition also "provides enough land to consolidate all UK pharmaceutical R&D in one location".

The £200m capital cost of the scheme, and the costs of relocation, has already been accounted for by the company in provisions for the restructuring of its research side.

SmithKline's plan comes at a time when the drug sector is under increasing pressure to cut prices from governments anxious to reduce spending.

## RSI actions put in doubt by ruling

By John Mason, Law Courts Correspondent

THE FUTURE of legal actions claiming that repetitive strain injury (RSI) should be a recognised form of industrial injury was thrown into uncertainty yesterday after a High Court judge ruled that it was meaningless as a medical concept.

Judge John Prosser dismissed a damages claim by Mr Rafiq Mughal, a former journalist with the Reuters news agency, that his work conditions for using computer keyboards were responsible for injuries to his upper limbs.

Although agreeing that Mr Rafiq suffered pain in his hands, arms and shoulders, the judge said its most likely cause

was his emotional state. He lacked confidence in his work as a sub-editor and felt victimised by colleagues.

His ruling goes against judgments in other RSI cases. In cases involving both British Telecom staff and manual workers employed by Bernard Matthews, the turkey processors, the courts recognised RSI as a medical condition and awarded damages to those injured.

Mr Mughal's case was the first in a series brought by the National Union of Journalists. Yesterday, the union said it was disappointed at the outcome, but insisted it would continue with some 70 individual actions against newspapers.

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\* Source: EBS 1993

## Ford warns of decline in output

FORO of Britain warned its unions yesterday that it expected a sharp fall in vehicle production in Britain as it offered a two-year pay deal of 1.5 per cent from November this year and 2.5 per cent next year, writes David Goodhart.

The company, which has lost more than £1m a day since 1990, says a small upturn in demand in the UK is more than cancelled out by the decline in export demand from Europe. It told unions yesterday its UK vehicle production was expected to fall to 382,000 vehicles this down from 447,000 in 1992.

Ford management rejected the unions' claim for a "substantial" pay rise and their request for a formal job security package. It hinted that the company's practice of avoiding compulsory redundancy might have to be abandoned.

It also said that it wanted to reduce lay-off pay by 20 per cent and was seeking more multi-skilling.

Mr Jimmy Airlie, motor industry negotiator for the AEEU craft union, said: "We're bitterly disappointed that they could not respond to our proposals on job security. If it's good enough for Toyota, Nissan and Rover then it should be good enough for Ford."

## Costs of Channel tunnel link escalate

By Charles Batchelor, Transport Correspondent

WORK TO prepare a high speed rail link between London and the Channel tunnel could be delayed by a £200m funding shortage, the government will be told today.

Union Railways, the company set up to develop the link, is expected to tell transport ministers that an extra £200m will be needed over the next two years for the completion of detailed design work and land acquisitions along the proposed route.

The company calculated the costs during a six months public consultation exercise, a report of which will be presented to the Department of Transport today.

The main issue facing the government is how to fund further work needed to prepare for construction of the link.

Private contractors and banks are thought unlikely to want to commit themselves to fund the link before the legislation, and the potential for political upsets, has been passed.

Most of the banks which could be expected to finance the project have also been involved in the financing consortium for the Channel tunnel.

British Aerospace, the UK's biggest aircraft maker, is considering a return to the rail locomotive business. The company may bid to build train wagons for the extension to London's Jubilee underground line. A contract would see BAE re-enter an industry it forsook more than 50 years ago to build military aircraft.

Executives at BAE's Chadderton site at Oldham, Lancashire, are considering bidding for contracts to build train body shells. "We have had some exploratory work into the rolling stock business," the company said yesterday.

Itself. This has been dogged by disputes and the banks would seek greater certainty about the rail link project.

Union Railways has made detailed forecasts of the likely costs of the project but has little firm information on likely revenue. It is unclear to what extent the tunnel will create new traffic or take it from the airlines or the ferry companies.

The government is due to announce a final decision on the route by the end of the year and the project is due for completion by 2001.

Its report contains an evaluation of an overground terminus at St Pancras compared with the original proposal for an underground station at Kings Cross and proposals for three extra intermediate stations along the route.

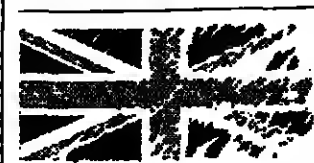
Of the two possible stations in north London, St Pancras would be several hundred million pounds cheaper than Kings Cross, according to the study.

Union Rail has identified three sites for intermediate stations at Stratford, Rainham and Ebbsfleet, near Gravesend. These stations would be available for domestic services and could therefore attract government funding. Under Channel tunnel legislation the government is prevented from financing the purely international infrastructure.

In preparing its report, Union Rail held hundreds of meetings with residents' groups and others to hear their views on the governments proposed route into either Kings Cross or St Pancras.

The company's report includes requests from residents for a doubling of the length of tunnels on the line, to reduce the environmental impact, which would add £350m to the basic £2.6bn cost.

## Britain in brief



## Reform of councils may cost £1bn

The transition costs of local government reform in England "could well exceed £1bn", according to Sir John Banham, chairman of the Local Government Commission.

In a letter to Mr John Gummer, environment secretary, Sir John also warned the review could cause political trouble for the government. He said: "A number of Conservative backbenchers have made it plain to us that they would like to see no change in the present arrangements." Last month, Mr Gummer changed his policy guidance to the commission, and told them that they should recommend replacing counties with all-purpose unitary authorities, even if this involved marginal extra cost.

## Conner to cease production

Conner Peripherals, the US disk drive maker, is to cease production at its assembly plant at Irvine, Ayrshire, only three and a half years after the plant opened. Some 300 employees will leave at the end of the year, with 100 staying to operate it as a distribution and service centre.

The company blames competition from non-European countries which it says enjoy lower costs and duty free access to the European market. Recently it announced a restructuring programme after reporting a loss of \$37m for the third quarter of 1993.

## Formal offer for coal mine

RJB Mining, the Nottinghamshire private mining company, yesterday made a formal offer to take over Monktonhall Mineworkers, the miners' consortium which operates a pit near Edinburgh, for £367,000.

The 167 members of the consortium, who each paid £10,000 for their shares, are being offered £1,000 per share. The board of Monktonhall is urging miners to accept the offer. It is telling them if they do not the company will go into liquidation. It lost £3.7m in the year to May 31 and has net liabilities of £2m.

## 'Few women' are executives

Only 9 per cent of top executives in Britain are women and the higher up the corporate hierarchy the fewer women there are, according to a survey of 29,000 executives in 533 companies. Mr Paul Gregg and Mr Stephen Machin, from the National Institute of Economic and Social Research and the London School of Economics, take issue with the claim that women are increasing their share of the top executive jobs - ranging from chief executive level to middle management.

## Delay urged in gas inquiry

The Gas Consumers Council has asked the government to postpone any decision on the future of British Gas until a new inquiry can be held into the impact on consumers of proposals to break-up the company or abolish its monopoly.

## Airline issues tax warning

British Midland, the independent airline, said it would lose £24m in revenues if VAT were imposed on domestic air travel. "There will be significant job losses as a result," said Sir Michael Bishop, chairman.

## Productivity on increase

A large majority of Britain's top personnel managers reported growth in productivity among their companies yesterday and predicted further increases in the next 12 months. A MORI poll of delegates at the Institute of Personnel Management Conference found that 86 per cent of them reported productivity increases in their companies in the past year.

## MacGregor proposes amendment on BR bids for private franchises

## Tory revolt averted on rail sell-off

By Roland Rudd

THE government last night appeared to have headed off a backbench revolt over rail privatisation after Sir Keith Speed, leader of the potential rebel MPs, backed a compromise allowing BR to bid for some franchises.

Mr John MacGregor, transport secretary, has tabled an amendment to the Lords amendment to the privatisation bill preventing BR bidding for any franchise from which there was a "credible" alternative, either a management buy-out or a private sector bidder.

In practice, under the com-

promise, the franchising director is unlikely to allow BR to bid for responsibility for running rail services in more than a few of the 25 franchise areas.

Government officials said potential Tory dissenters who threatened to rebel over the government's original proposals, under which BR would not have had the right to bid at all, had made clear they would support this latest move.

Asked whether the partial retreat was simply aimed at preventing another backbench rebellion, Mr MacGregor said: "This is not a slight of hand. It will still be possible for BR to bid (for franchises)." The Lords' amendment gave

BR the right to bid for franchises. This was opposed by the government on the grounds it would give BR the ability to undercut competitors by cross-subsidising its bid with revenues from other services.

Mr MacGregor's amendment to the Railways Bill, which returns to the Commons next week, will provide that the franchising director can allow BR to bid only if he or she is not convinced that any competitor bidders comply with basic standards.

The minister is understood to believe that his proposals will encourage MBOs and prevent BR, which will not be able to cross-subsidise its bid, from

winning more than a small minority of the franchises.

Since BR may be prevented from bidding for many franchises government officials believe their latest rail proposals will encourage BR to establish MBOs which will be able to bid for every franchise.

During an exchange at Prime Ministers' questions in the Commons, Mr John Smith, the Labour leader, accused the government of "blatant and discreditable" manoeuvres by introducing amendments to allow BR to bid for franchises, but under strict conditions. Mr Smith claimed the government was indulging in a "cynical trick".

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2. Copies of the Statement of Particulars of the proposed transfer are available for inspection at 150 Leadenhall Street, London EC3V 7LN from Monday to Friday between the hours of 9.00 a.m. and 5.00 p.m. until 29th November, 1993.  
3. Written representations concerning the transfer may be sent to the Secretary of State for Trade and Industry, Department of Trade and Industry, Insurance Division, 10-18 Victoria Street, London, SW1H 0NN before 29th December, 1993. The Secretary of State will not consider the application until after considering any representations made to him before that date.

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Name of Director: Rufus Travel Services  
Type of Liquidation:  
Members' Voluntary Liquidation  
Address of Registered Office: Bedford House, 1 Lambeth Palace Road, London SE1 7EU  
Liquidator's Name and Address:  
Margot Elizabeth Hill  
Bedford House, 1 Lambeth Palace Road, London SE1 7EU  
Office Telephone Number: 5318  
Date of Appointment: 19 October 1993  
By Whom Appointed: Members  
NOTICE TO CREDITORS  
LUTON TRAVEL MANAGEMENT LIMITED  
(ON MEMBERS' VOLUNTARY LIQUIDATION)  
NOTICE IS HEREBY GIVEN that the creditors of the above-named company are required, on or before the 30th November 1993 to send their names, addresses and particulars of their claims, including any claim in preference, to the undersigned, Margot Elizabeth Hill, the Liquidator, of Luton Travel Management at Bedford House, 1 Lambeth Palace Road, London SE1 7EU or in default thereof they will be excluded from the benefit of any dividend made before any such claim is proved.  
Margot E Hill,  
Liquidator  
NOTE: This notice is purely formal. All known creditors have been, or will be, paid in full.





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## RECRUITMENT

## JOBS: Research casts doubt on the way company leaders typically try to get tough problems solved

UNLESS such happens to be your lot in reality, just suppose that you are the chief of a company threatened by a hugely complicated problem. Since you've tried and failed to solve it yourself, which of the following two options offers you the best hope of obtaining a solution?

A - Single out the highest fliers in the company. Then spell out to them the problem and how crucial it is to the outfit's future, pledging handsome promotion to the one who cracks it.

B - Frame the problem as an abstract puzzle, making no reference to its connection with the company let alone its importance. Then offer the puzzle anonymously as a leisure-time diversion to the entire staff, perhaps via the house journal, inviting answers but without mention of any reward.

My guess is that, simply because the first of the two options seems obviously the right one, most of you will have picked the second. If so, I suspect that those who are actually chief executives responded to my hypothetical question differently from the way they typically react to such issues in real life.

Be that as it may, however, the better chance of obtaining a solution would appear to lie with option B. And the evidence for that in turn lies in a research study in a relatively new branch of psychology called reversal theory, which was first mentioned in this corner of the FT three weeks ago.

## Not brain-power, but frame of mind

One of its principal observations is that, when taking action, people are in either of two distinct frames of mind. Moreover, although we can switch (or "reverse") from one to the other, we can never be in both at the same time.

In one of them, which the theory terms the *telic* state, the action is undertaken solely as a means to some pre-set end. In the example I cited earlier, if the goal of saving the firm and so winning promotion causes you to concentrate on the problem, you'll be working on it in a *telic* way as a task.

The alternative kind of action, called *paratelic*, consists of things you do simply because you want to do them. If the problem is offered to you casually as a puzzle, and you have a try at it because you find it interesting, you will be operating in a *paratelic* way. You'll be tackling it first and foremost for the sake of doing so, even though you also hope to crack it at the end of the day.

Which of the two mental states is the more conducive to solving complex problems was examined not long ago in a study led by psychologist Stephen Barr of the SPSS (UK) software group. The researchers took 30 volunteers of similar brain-power, 15 in the *telic* and 15 in the *paratelic* state, and set them to

work on a veritable mind-boggler: a board game whose various pieces could be combined in more than 300,000 ways, only one of which was right.

True to form, the *telic* group focused on it as a task, frequently exhorting themselves to "think, think, think" and the like. Their *paratelic* counterparts were more casual, one admitting that he'd soon lost thought of seeking to arrange the pieces correctly, and "just fancied putting them all together."

Given that persistence is important to sorting out such complications, which of the two groups would readers think proved the more persevering? It was, in fact, the *paratelic* set. The *telics* largely gave up frustrated after trying, on average, for less than half as long. More surprising in view of the test's difficulties, however, was that six of the 30 actually cracked it. And among the victorious half dozen, the *paratelic* outnumbered the *telic* five to one.

NOW to the table alongside which, as in previous years, is compiled from the latest survey of executive rewards in the United Kingdom, carried out by the P-E International management consultancy. The study, which was made in July, covered more than 8,000

executives of ranks ranging from chairman to junior manager employed by nearly 900 organisations of varied kinds. Any reader who wants the complete report, which contains a wealth of data on salaries and bonuses of which the table takes no account should contact Simon McBride of the consultancy at

Park House, Wick Road, Egham, Surrey TW20 0RW; telephone (0)784 434411, fax (0)784 437823 (though he'll be away at the Institute of Personnel Management's conference in Harrogate until the weekend). The report's price is £400. My extracts are confined to the survey's findings on the fringe benefits

typically awarded in the UK executive ranks. The table takes 13 salary-bands from £20,000-£25,000 upwards, and sets out the percentage of managers on the various perches of the pay pecking-order who enjoy each type of perk. The all-ranks figures for 1989 as well as this year at the bottom, by the way, are for all executives covered by the study, including juniors on salaries of less than £20,000 a year.

Michael Dixon

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25,000-30,000	77.5	14,380	37.4	4.8	4.9	4.7	77.5	11.3	22.4	17.2	22.8	
30,000-35,000	90.0	15,552	51.3	6.3	5.0	11.3	85.2	15.5	27.7	14.6	26.0	
35,000-40,000	94.5	17,108	55.9	4.7	9.1	16.4	91.2	26.4	34.5	14.9	28.5	
40,000-45,000	95.6	18,139	61.7	5.1	17.3	31.6	89.8	39.0	38.7	15.6	39.1	
45,000-50,000	97.6	19,121	64.6	7.3	16.7	37.7	93.0	45.2	45.2	21.0	36.5	
50,000-55,000	98.0	20,815	68.8	11.4	22.1	45.1	94.5	53.0	50.1	24.1	41.1	
55,000-60,000	98.4	22,788	66.8	14.5	22.3	50.6	91.5	53.6	45.7	25.4	41.1	
60,000-65,000	98.9	25,622	69.6	14.6	21.4	53.9	95.6	62.3	48.1	26.1	41.1	
65,000-70,000	100.0	27,365	64.9	14.8	19.3	58.9	94.0	70.9	55.2	28.3	35.8	
70,000-75,000	97.7	28,519	73.8	15.9	30.8	60.2	95.4	83.6	51.1	35.2	32.9	
75,000-80,000	100.0	30,059	69.9	12.2	30.0	65.0	94.3	77.2	57.7	31.7	44.7	
Over 120,000	98.6	34,748	67.1	17.7	28.5	67.7	95.3	88.8	71.0	35.5	38.4	
All ranks 1993	80.1	-	47.2	6.7	9.8	20.1	80.8	26.6	31.8	18.4	27.9	
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## CJA RECRUITMENT CONSULTANTS GROUP

2 London Wall Buildings, London Wall, London EC2M 5PP  
Tel: 071-588 3588 or 071-588 3576  
Fax No. 071-256 8501

## Opportunity to establish and run this key function at the centre of a major house

### HEAD OF BALANCE SHEET MANAGEMENT

CITY

MAJOR INTERNATIONAL SECURITIES HOUSE

The Head of this new area will advise on the structure of the liability side of the balance sheet, use the gearing potential and increase income through the active investment of capital. This is not a control function, but brings together aspects of liquidity and asset management. You must have technical strength, a good feel for markets in general, the ability to generate ideas and an awareness of the range of opportunities and products in today's market, as well as the flexibility to work within the day to day capital requirements of the business. The successful applicant will have experience ideally in a similar balance sheet/internal corporate treasury management position or in asset management with a leading house. We seek an individual with the proven performance record to inspire the confidence of Management in his/her ability to utilise the balance sheet and to maximise profits commensurate with risk. Initial remuneration is negotiable £60,000-£90,000 plus bonus and a generous package. Applications in strict confidence under reference HBSM4919/FT to the Managing Director, CJA.

£60,000-£90,000 +  
BONUS AND BENEFITS

## SALES AND MARKETING EXECUTIVES

To build sales of the Financial Times, with imagination and marketing flair

Up to £20,000, bonus + car

The Financial Times, universally renowned for its accuracy, objectivity and professionalism, is firmly established as one of the world's leading business newspapers, with an unmistakable brand image. The marketing department has been restructured to achieve still further penetration and to bring added imagination and flair to its pro-active, market driven approach. Regional Sales & Marketing Executives, working in small dedicated teams and responsible for building newspaper sales within their own territories, will be encouraged to identify and pursue new sales opportunities, as well as continuing to ensure effective distribution. Five new Regional Executives are to be appointed to bring life and bite to this new approach. Candidates, ideally graduates in their mid-twenties, will have the marketing flair to plan their own sales strategy as well as the personal style to secure appointments with, and deliver business from, executives at senior levels. They will already have demonstrated their ability in a professional sales environment, probably after a period of formal training. Please send full career details, specifying preferred location, quoting reference WE 3226F on both letter and envelope, to Judy Brasier, Ward Executive Limited, 4-6 George Street, Richmond-upon-Thames, Surrey TW9 1JY.

WARD EXECUTIVE  
LIMITED  
Executive Search & Selection

FINANCIAL TIMES  
EUROPE'S BUSINESS NEWSPAPER

- London & Home Counties
- Midlands
- North West

## JAPANESE EQUITIES FUND MANAGEMENT

The opportunity for a young investment manager to take responsibility for Japanese stock selection for pension funds within a major asset management company.

This appointment is based in the London head office of an established UK investment management house. The company has some £15 billion under management on behalf of pension funds, corporates, government, other institutions and retail clients, and operates a disciplined top-down investment process.

As a key member of a young Japanese Equities team, you will be expected to make a contribution to the formulation of our investment strategy for Japan. You will have prime responsibility for stock selection, and the latitude to operate, within sectors specified.

To be considered for this opportunity you must be a graduate with a solid investment analysis background. You must have managed funds for at least two years and have current experience of Japanese Equities. We offer a competitive package of salary and benefits, including company car, but perhaps more importantly the chance to take on increasing responsibility and maximise your potential in a leading UK company, with a challenging future.

To apply, please write to: John Sears and Associates, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP. Tel: 071-222 7733 or Fax: 071-222 3445.

John Sears and Associates  
Executive Search & Selection in Investment Management

A MEMBER OF THE (SMC) GROUP



# Head of Control

## Financial Markets

Attractive Package

City

Key middle office role within innovative, fast expanding financial markets trading function of major European Bank.

### THE COMPANY

- International, successful banking group. Global trading capacity.
- Well capitalised with sound profit history.
- Long established UK presence with recognised product strengths backed by quality delivery.

### THE POSITION

- High profile role. Implement systems to ensure integrity of financial reporting and internal controls. Manage small team.
- Analyse performance, monitor risk exposure and report key performance indicators for full range of treasury and financial markets products.

- Build and develop relationships with trading staff and senior management throughout the organisation.
- Risk aware financial markets specialist with broad knowledge of products and control environment.
- Ambitious graduate with accounting, MBA or ACT qualification. IT literate.
- Confident, decisive, robust. Exceptional communication and interpersonal skills. Able to develop relationships and credibility at senior levels.

Please send full cv, stating salary, Ref M4214 NBS, 54 Jermyn Street, London SW1Y 6LX

NBS SELECTION LTD  
a Norman Broadbent International  
associated company

London 071 495 6392  
Aberdeen • Birmingham • Bristol  
Edinburgh • Glasgow • Manchester • Slough



Stewart Ivory

Investment Manager, Edinburgh

Competitive Salary + Benefits

Stewart Ivory is a highly successful, independent Edinburgh-based investment management company, with a wide and growing customer base and over £1.3bn under management. Specialising in growth stock equity investment in all world markets, it offers a personal service with above average performance.

Due to continued growth, there is a requirement for an individual to join the company, taking responsibility for both specialist stock selection and individual funds.

Educated to degree level, numerate, literate and articulate, candidates will have at least three years' relevant experience in either UK or European equities and in the management of UK pension assets.

Aged in their mid 20s to early 30s, they should also be able to demonstrate a

successful track record in stock selection, based on a rigorous, analytical approach. An ability to get on with clients and colleagues is required, together with independence, self-confidence and flexibility. Fluency in a European language would be useful.

This represents a unique opportunity to contribute to the rapid growth of an independent investment house and, over time, to become significantly involved in its management and ownership.

The remuneration package will comprise a competitive base salary, profit-related bonus, non-contributory pension and health care.

Please send a full CV in confidence, to GKR's quoting reference number 208J on both letter and envelope, and including details of current remuneration.



SEARCH & SELECTION  
CLAREBELL HOUSE, 6 CORK STREET, LONDON W1X 1PB. TELEPHONE: 071 287 2820  
A GKR Group Company

## FIXED INCOME FUND MANAGER

City

Attractive Package

Our client is a major UK investment bank with a significant global presence and substantial funds under management. The fixed income group has achieved considerable growth in recent years and an opportunity has arisen for a fund manager to join this team and contribute to its continuing success.

The role will involve managing money in the UK and European bond markets, contributing to the overall investment process of the bond team, implementing investment decisions, maintaining client relationships and supporting the development of the business.

Candidates should be numerate graduates in their mid to late 20's with at least four years experience in the UK and/or European fixed income markets. They should demonstrate good analytical skills and fund management ability. Knowledge of derivatives and European language skills would be additional assets. Strong team orientation and self motivation are essential.

This is an excellent opportunity to join a dedicated professional team. A competitive salary and first class banking benefits will be offered to the successful candidate.

For an initial discussion in confidence please contact us quoting reference 4839, at 20 Cousin Lane, London EC4R 3TE. Telephone 071-236 7307, or Fax: 071-489 1130.

STEPHENS SELECTION

A PART OF STEPHENS CONSULTANTS  
London Edinburgh New York Hong Kong

## CITY BASED US INVESTMENT BANK

### European Equities and Fixed Income Sales Traders

Our client is a leading force in international securities trading and sales for worldwide institutional clients and high net worth individuals. Following the reorganisation of its coverage of smaller institutional and high net worth accounts along product lines and a refocusing of client coverage across the branch network, it has been decided to recruit one equity and one fixed income sales trader.

- To undertake sales trading to high net worth and small institutional clients who need "odd lot" capacity in the European markets in sizes smaller than \$5 million.
- To take positions, manage risk and increase overall volume in the divisions "flow" business.
- To develop this business within the international branch network.

Interested applicants should contact Annabella Humphreys (Equities) or Andrew Steuart (Fixed Income) at BBM Associates Ltd (Consultants in Recruitment) on 071-248 3653 or write, sending details to the address below. All applications will be treated in the strictest of confidence.

76, Watling Street, London EC4M 9BJ



Tel: 071-248 3653 Fax: 071-248 2814

## Global Money Markets Senior PA Role

An exciting opportunity has arisen within our highly successful Global Money Markets operation for an experienced Business PA to facilitate the development of this complex and diverse global trading business.

You will need to display strong analytical and presentation skills, coupled with a keen sense of commercial awareness and power of influence. This will enable you to coordinate and implement a range of policies as developed. This role is highly demanding and you will be expected to work long hours and travel to other offices occasionally.

Previous experience in the financial services sector is not essential but it is expected that you will have gained experience within a highly commercial environment. Whilst a professional qualification is preferred (Chartered Sec/Asst/Lawyer), we will also consider graduates with business experience.

It is likely that you will be aged between 25 and 35. Salary is in the range of £30-50k with full banking benefits.

Please send your CV with a covering letter, describing how you would approach the tough brief to:

Human Resources, Personnel Manager  
Barclays Global Money Markets, Murray House,  
Royal Mint Court, London EC3N 4HH

Barclays Global Money Markets

Tyne and Wear Passenger Transport Authority

## PROGRAMME CO-ORDINATOR SUNDERLAND METRO EXTENSION

Circa £50,000 pa (other benefits negotiable)  
Fixed Term Two Years  
Based in Newcastle upon Tyne

Tyne and Wear Passenger Transport Authority (PTA) wishes to appoint a Programme Co-ordinator for its £50 million scheme to extend the Tyne and Wear Metro to Sunderland.

The Programme Co-ordinator will be responsible for ensuring that the variety of skills and talents required to complete the next stages of the project dovetail with the objectives, budget and timetable set by the elected councillors of the Authority.

To that end, the Programme Co-ordinator will work with other members of the Project Development Group and will take charge of the day-to-day management of all aspects of the scheme's development, including specification, authorisation, tendering strategy and financing.

The successful applicant will need to demonstrate:

- an impressive track record in project management, preferably including experience in fixed-rail or other transport systems
- a keen awareness of the safety aspects of constructing and operating major infrastructure projects
- extensive experience in negotiating with public and private sector organisations at a high level
- excellent communication skills
- a proven ability to work as a member of a team
- a high degree of self-motivation
- ingenuity and innovative flair

The Programme Co-ordinator will report to the Clerk to the PTA and work within the Passenger Transport Executive.

For an informal discussion, please contact Sean Daley on (091) 232 0737.

Application forms and further information available from:  
Personnel Officer to the PTA,  
Civic Centre, Barras Bridge, Newcastle upon Tyne NE1 8QJ  
Telephone: (091) 232 6520 extension 5035.

Application form or alternatively a CV returnable to the above address. Applications on a secondment basis will be considered. Closing date: 12th November, 1993.

## MANAGING / LUXEMBOURG DIRECTOR / BANK

MAJOR GLOBAL  
FINANCIAL SERVICES  
GROUP

POSITION FOCUS:  
Securities Services  
Global Custody

Substantial Package

### The Company

- Global Financial Services Group with a leadership role in Investment Banking, Securities Trading, Foreign Exchange, Commodities, Asset Management and Securities Servicing.

- Worldwide locations with principal offices in New York, London, Tokyo and Hong Kong.
- Strong Financials, Stable Credit Ratings, Achieving record Operating Results.

### The Position

- Luxembourg Based Managing Director responsible for operation of IML regulated Bank with a particular focus on Global Custody, Fund Accounting and Administration, and Securities Services.
- Directly responsible for all of the Bank's employees, its Luxembourg based business and its integration into the larger group.

### Qualifications

- Banking/Accounting background
- Securities Services experience
- Business Builder/Strong Manager
- European Orientation/Languages
- Team Player with Strong Communication Skills
- Demonstrated Capabilities of Managing a Profitable & Dynamic Business

Please send full CV (listing current salary) in the strictest confidence to Box No. 21824, Financial Times, One Southwark Bridge, London SE1 9HL.

## European Investment Manager

Based in Sydney, Australia.

Bankers Trust is not only Australia's leading investment bank. It is also one of the world's most respected funds management groups with over A\$20 Billion under active management. This role represents an exceptional opportunity and may suit an Australian national who is ready to return to Australia permanently.

Drawing on your in-depth experience in European markets, your analysis of industries and companies will be applied to the management of the BT equity portfolio. You will be accountable for stock selection and contribute to country economic and equity market forecasts. Reporting to the head of the European equity group, you will also interact with the whole of the International group in a strong team environment. Your background will include at least 5 years' experience in company/industry analysis for the European markets, probably gained in funds management. This will be supported by a solid knowledge of company accounts and strong tertiary qualifications in an analytical discipline.

Joining BT's performance-focused team, you may anticipate excellent rewards. To apply, please forward your CV to: Joanne Hogan, Assistant Vice President, Bankers Trust Company, 1 Appold Street, Broadgate London EC2A 2HE.

Bankers Trust Australia Limited

## Expanding Global Investment Fund Has Immediate Openings For:

- Experienced Senior Equity Portfolio Manager to handle Global equity funds. Ideal opportunity for someone who has reached a ceiling in a large institution. Must have proven track record for 7-10 years.
- Two additional global equity analysts with a minimum of 5 years experience, CFA helpful.
- Experienced Global Fixed Income Fund Manager

Knowledge of foreign language and experience in both emerging and developed markets a plus. Willing to travel, single status preferred. We are performance compensated and offer a base salary and incentives. All replies held in strictest confidence. Send resume and references to:

Box B1876, Financial Times,  
One Southwark Bridge, London SE1 9HL

## Standard & Poor's Insurance Rating Services Director, Insurance Ratings

Standard & Poor's Insurance Rating Services - the industry's pre-eminent provider of insurer financial strength ratings worldwide - require a highly experienced Analyst for their London office.

As part of a professional team, your principal task will be to assess the financial strength of European insurance and reinsurance companies. This will require the application of in-depth quantitative analysis of financial statements; qualitative assessment of corporate strategies based on detailed, ongoing communication with company senior management; and production of thorough and insightful written analysis. Additionally, you will contribute regularly to the group's publication efforts, and play a key role in the enhancement of rating criteria and methodologies.

Aged mid-30s or older, you will have amassed considerable experience in the insurance industry; thoroughly understand insurance market dynamics; and be familiar with regulatory environments. High quality written and oral communication skills are essential. London Market expertise and a working knowledge of a foreign (European) language would be valuable.

An attractive salary and benefits package is offered, dependent on experience.

Please apply in writing only, enclosing a full curriculum vitae, to: Karen A. Knoller, Director, Insurance Rating Services (Europe), Standard & Poor's Insurance Rating Services, Garden House, 18 Finsbury Circus, London EC2M 7BP.



## Treasurer

£560,000 + Bonus

London

Our client is a sophisticated unit in one of the world's largest financial organisations. It is responsible for managing multi billion dollar asset portfolios and is a major AAA rated issuer in the Euro and US domestic CP & MTN markets.

Specialised techniques including extensive use of the derivatives and FX markets are employed to enhance returns within agreed risk parameters.

The continued growth and expansion of these activities has identified the need to appoint a Treasurer who will be responsible to the Managing Director for developing and managing funding arrangements in order to reduce costs and manage risks and exposures. The

person sought will be a high calibre treasury professional with a successful track record in the analysis, negotiation and management of diversified funding sources, particularly in the CP and MTN markets. Detailed practical experience of using derivative techniques to achieve best results is essential.

An excellent basic salary will be supplemented by a banking benefits package, and bonus potential is exceptional for measurable performance.

If you wish to apply for this position please write - in confidence - enclosing a CV and details of current remuneration to Douglas Austin, Ref: A22A13, MSL Group Limited, 32 Aybrook Street, London W1M 3JL.

**MSL International**  
CONSULTANTS IN SEARCH AND SELECTION

## MOODY'S INVESTORS SERVICE

### Research Associate - Financial Institutions Group

This position provides support to the Financial Institutions Group, and involves undertaking detailed background research and quantitative analysis. Moody's is seeking a numerate graduate with an interest in financial markets. PC skills, including a knowledge of spreadsheets and databases, the ability to write macros in Excel or Lotus, a European language, and a knowledge of bank and/or insurance company accounting would all be advantageous.

Applications, including either a curriculum vitae or standard application form, should be made in writing to Janet Unwin at the following address:

51 Eastcheap, London EC3M 1LB.

**SIGECO UK**

## EUROPEAN EQUITY SALES PROFESSIONALS AND INVESTMENT ANALYSTS

SIGECO (UK) Ltd, the London-based international investment banking subsidiary of the IMI Banking Group, is expanding its world-wide sales capability through the recruitment of:

- research-orientated sales and trading people with proven track records and a minimum of 3 years' experience of trading or selling European equities; and,
- investment analysts with a minimum of 2 years' pan-European experience in the utilities, non-durable consumer goods, insurance or engineering sectors.

Candidates should possess excellent interpersonal, communications and presentation skills, be PC literate, strongly numerate, fluent in English and (preferably) another European language.

The company offers an attractive compensation and benefits package and the opportunity to work in a non-bureaucratic dynamic team environment.

Interested candidates should send their curriculum vitae, including salary details and photograph to:

Personnel Director, Maureen McGurk,  
SIGECO (UK) Ltd, IMI House, 8 Laurence Pountney Hill, London EC4R 0BE

## MALAYSIAN RESEARCH ANALYSTS/ INSTITUTIONAL SALES

Competitive Salary plus Profit Incentive Scheme  
Location: Kuala Lumpur, Malaysia

We are a Kuala Lumpur based stockbroking company. Fundamental to our business is value-added research on Malaysian companies and the economy and the ability to communicate research products and ideas to our clients.

Internal career development and business expansion have created the need for a number of additional analysts and sales persons. The positions require sound analytical, verbal and written communication skills and a good command of English is essential.

We are keen on MALAYSIANS with 4-5 years working experience and in particular those with a financial or accounting background. Applicants should possess superior academic qualifications.

We are a progressive organisation and for people with potential, there are exceptional career development opportunities. We operate a profit related incentive scheme in addition to a competitive salary.

If you have the experience and qualities that we are seeking and can rise to the challenge, we would like to hear from you. Please write with full career history and contact telephone number to:

**The Executive Director,**  
Zalik Securities Sdn. Bhd.  
9th Floor, Menara Aetna Universal,  
84 Jalan Raja Chulan, 50200 Kuala Lumpur.  
or fax details for attention of Shana at 603-2625009.

**ZALIK SECURITIES SDN. BHD.**

A Member Company of The Kuala Lumpur Stock Exchange  
A Hong Leong Group Malaysia affiliate

## Gartmore

### ASSISTANT COMPLIANCE OFFICER

Gartmore is one of the leading international fund management groups with over £17 billion under management. Due to its increasing business, the company is seeking to appoint a further assistant compliance officer, joining a team of seven (including administrative staff), your duties will include:

- Negotiating and dealing with enquiries concerning IMRO governed investment management agreements for segregated and pooled pension clients
- Involvement in specific transactions embracing contract negotiation and project co-ordination
- Involvement in specific regulatory or legal issues and internal procedures
- Contribution to the general compliance work of the department
- Other general commercial matters

You will be a qualified solicitor or barrister with 1-3 years' relevant experience, ideally within another financial institution or in the financial services department of a law firm. Essential qualities are strong negotiating and drafting skills and a team-orientated, commercial personality.

In return, the company will offer you an excellent City salary and benefits package.

For further information, in complete confidence, please contact Stephen Rodway on 071-405 4062 (071-354 3079 evenings/weekends) or write to him at Quarry Douglas Commerce & Industry Recruitment, 37-41 Bedford Row, London WC1R 4JH. Confidential fax: 071-831 4394. This advertisement is being handled on an exclusive basis by Quarry Douglas Commerce & Industry Recruitment. All direct applications will be forwarded to Quarry Douglas.

**QD**  
QUARRY DOUGLAS

UNITED KINGDOM · HONG KONG · NEW ZEALAND · AUSTRALIA · USA

## A whole market just for us.

It's not just a question of smart ideas and strokes of lucky commercial successes, as well as brilliant careers, are built on pragmatism and cohesiveness. A good deal of creativity and risk-taking attitudes complete the picture of the manager we are seeking, as they are the fundamental ingredients on which our successes in components/electrotechnics are based. We are leader in Italy. But half our total revenue comes from abroad. To further increase our share in international markets, we need to fulfil the position of

### Export Sales Director

The candidate should be able to rapidly absorb all the issues concerning the Company's commercial policies, products and sales networks. Thus he will be able to face successfully the challenges of the position: to prepare and implement efficient marketing plans, to improve internal and external structures, to increase the volume of sales and the profitability index. The manager we are seeking is between 35 and 40 years of age, has a deep understanding of international cultures, has experienced demonstrably successful sales achievements working for industrial companies operating both domestically and abroad. He has a University degree and, preferably, an MBA and is fluent in at least two foreign languages. Based in Milan, he should be willing to spend a lot of working time abroad. We are able to offer a top-of-the-market salary to an outstanding candidate. If our offer is of your interest, please send your C.V. to C.L.M.K. - Via Correggio 18 - 20149 Milano - Italia, quoting the reference DCE on the envelope. All information will be treated as strictly confidential.



*In Europe and in the world.*

## ASSISTANT TRADER Strategic Positioning Group

International Bank

City

Our client is one of the world's most prestigious financial institutions and a pre-eminent force in the global trading markets. Fundamental to this success is the bank's ability to capitalise on trading opportunities across the full range of cash and derivative instruments.

The London-based strategic positioning group now requires an assistant trader to manage the cross product positions of trades in other time zones and to contribute to the trading portfolio in Europe.

Candidates should have a minimum of five years' experience gained in a multi-market cross-product environment (in particular FX, money markets and bonds/bills) including exposure to balance sheet management and funding techniques. This role demands highly developed analytical and quantitative skills and it is highly likely that the successful candidate will be a graduate with an additional qualification, ideally an MBA. In addition a thorough understanding of trading and settlement issues is essential.

This is an outstanding opportunity for a young, ambitious and goal orientated trader who has the ability and desire to progress quickly to the position of Capital Manager. The rewards will also include a competitive basic salary, bonus and a comprehensive range of banking benefits.

Interested candidates should write to Paul Mevius at BBM Associates Ltd (Consultants in Recruitment) at the address below enclosing a detailed Curriculum Vitae. All applications will be treated in the strictest confidence.

76, Watling Street,  
London EC4M 9BJ

**BBM**  
ASSOCIATES

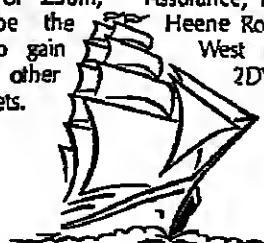
Tel: 071-248 3653  
Fax: 071-248 2814

## Assistant Fund Manager US Equities

Based at our City Office, MGM Assurance offers an ambitious graduate, aged mid-20's with experience of US company analysis, an opening into fund management.

As well as assisting and deputising for the US Manager, with funds under management of £50m, there will be the opportunity to gain experience of other overseas markets.

To progress your application for this position which offers a good basic salary and benefits package including generous bonus scheme, please forward your C.V. with details of current remuneration to Personnel Department, MGM Assurance, MGM House, Heene Road, Worthing, West Sussex BN11 2DY Tel: 0903 204631.



**MGM**  
a s s u r a n c e

## JAPANESE SPEAKERS- International Banking

IBJ International, the principal merchant banking arm of the Industrial Bank of Japan, established in London in 1975 and acknowledged as a major force in the world capital markets, is characterised by its innovative approach and global commitment.

Continuing our expansion programme and building on the quality and depth of our resources, we wish to recruit a number of Japanese speakers.

Ideally of Graduate calibre the applicants will have:

- fluent Japanese speaking, reading and writing ability
- 1-3 years in an international financial environment
- knowledge of safe custody and/or settlements procedures
- strong communication and negotiation skills
- initiative, ability to make quick decisions
- p.c. literacy (knowledge of Lotus and Windows based packages preferred)
- flexible attitude
- SFA qualifications would be an advantage but are not essential as training will be provided.

Competitive salaries, including normal banking benefits, will be offered to the right candidates, together with excellent career prospects.

Please write with a full CV including details of current remuneration to: Karen Neffar, Personnel Department

**IBJ** IBJ International plc  
Bracken House, One Friday Street, London EC4M 9JA



## Standard Chartered

### Chief Economist

#### Treasury Capital Markets - London

Package to Attract the Best

City

Outstanding opportunity for a performance driven, markets aware Economist.

#### THE COMPANY

- Standard Chartered's unique international network stretches through 50 countries.
- To its clients it is both global and local: a powerful combination.
- Global Treasury operations are highly professional, profitable and extremely active.

#### THE POSITION

- Head the economic function within large, powerful Treasury. Senior member of Bank's international treasury economist's network.
- Work with and influence key decision makers. Establish strong dealing room presence.
- Ensure strong emphasis on corporate advisory function.



- Flexible job parameters create maximum opportunity. Analyse. Comment. Inform.
- QUALIFICATIONS**
- Graduate Economist. Knowledge of some/all Treasury products and world markets. Interest in exotics desirable.
- Ambitious, robust, persuasive, with impressive communication skills.
- Ability to perform and thrive in dealing room environment.

Please write, enclosing full cv, ref M4322 NBS, 54 Jerwoy Street, London SW1Y 6LX

London 071 495 6392

Aberdeen • Birmingham • Bristol  
Edinburgh • Glasgow • Manchester • Slough



NBS SELECTION LTD  
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## GLOBAL INVESTMENT BANK CORPORATE TREASURY

#### CITY

This major US Securities firm's global activities span an extensive range of financial services and products. An extremely impressive performance record, combined with a strong capital base, is driving the expansion of the bank on an international scale.

The treasury area of the firm, responsible for liquidity, capital management and cash mobilisation is currently experiencing a period of rapid growth. As a result, this high profile area now has an outstanding opportunity for two experienced professionals to join the team.

#### Funding Manager

Reporting directly to the Regional Treasurer, your responsibilities will include:

- Managing the funding requirements for the European Region
- Providing liquidity to all the business units
- Frequent interaction with the trading areas as well as finance and treasury departments in Europe, Asia and New York

Applications for this position are invited from individuals with 3-5 years' experience in money market and foreign exchange dealing. In addition you will be a graduate and ideally ACT qualified.

#### Treasury Analyst

Following a thorough training period you will undertake the following responsibilities:

- Support the main functions of treasury, providing comment and analysis for the department and other areas of the bank
- Liaise directly between other banks and the parent company
- Be responsible for the development of major new projects

For this position graduates, possessing a minimum of 3 years experience within a sophisticated treasury environment, will be of interest. Excellent communication and interpersonal skills are a prerequisite for both

positions. In addition, you will be a self-starter who is able to work effectively in a team orientated environment.

For ambitious and highly motivated professionals, this is an excellent opportunity to advance their career within one of the most progressive and dynamic institutions in the City. Remuneration will include substantial basic salary, bonus scheme and benefits package.

Interested candidates should call David Twiddle on 071-379 3333 (fax 071-915 8714), or write to him enclosing a detailed CV at Robert Walters Associates, 25 Bedford Street, London WC2E 9HP.

ROBERT WALTERS ASSOCIATES

## DAVY STOCKBROKERS

### INSTITUTIONAL EQUITY DEALER - DUBLIN

J & E Davy, Ireland's largest firm of Stockbrokers with the widest range of corporate, institutional and international contacts and a very strong research base, wish to recruit an equity dealer to join their existing equity team.

The successful candidate is likely to be Irish, between 25-30 years of age, well qualified academically, probably with a business degree or other relevant qualifications, currently working in either broking or investment management. Applications from individuals currently working outside Ireland will be particularly welcome.

Ideally candidates should have a high degree of self motivation, good communication skills, and be capable of working with the existing equity team.

The remuneration package will be very attractive to the suitable candidate. Davy offers exceptional career prospects in a growing firm with an outstanding record of success.

Reply: The Secretary (Ref. ED),  
Davy Stockbrokers,  
Davy House,  
49 Dawson Street,  
Dublin 2

### CAREER OPPORTUNITIES IN ASIA!

#### BOND SALES/SENIOR FOREX DEALER £50-80K p.a. (15% TAX)

Several clients of ours in HK are looking for experienced professionals to work in their HK office.

The appointee for Bond Sales will be responsible for serving and developing institutional and individual clients. The product range covers all Eurobonds, U.S. Treasury Bonds, Japanese Government Bonds, European Government Bonds and HK Dollar Debt Securities, etc.

The ideal candidates should be a degree holder major in Economics or Finance and have at least 5 years relevant experience in the bonds and securities business either as a bond sales or trader.

Senior Forex Dealer candidates are expected to have several years of forex trading experience in major currencies.

Our partner will be in London during 2-12 November to meet possible candidates for these positions. Interested candidates please apply in strictest confidence with your detailed CV to our fax no. (852) 810-0235 4/F Dina House, Ruttonjee Centre, 11 Duddell Street, Central, HK or to Hong Kong Executive Search representative office, 9 Hill Street, London W1X 7FB.

### HONG KONG EXECUTIVE SEARCH

## Compliance Manager

### Edinburgh

Are you truly committed to protecting customers' interests?

- Do you strive to achieve more than is necessarily expected of you?
- Are you a highly organised and disciplined person?
- Do you think close attention to detail is important?
- Can you gain the commitment of others whilst maintaining a close relationship with them?
- Do you enjoy motivating your team to achieve goals and maximise their potential?

At Standard Life we take our compliance responsibilities seriously. In line with our values of integrity and customer service, we believe in following the spirit as well as the letter of the regulations and we're now looking for a senior compliance professional who shares that aim.

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United Arab Emirates London SE1 2HP

You may fax applications direct to Dubai (971-4-264394) but these must be typewritten (including the covering letter) to ensure clarity.

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# Conservative balancing act shows signs of strain

Andrew Jack wonders about the wisdom of a 'pick and choose' approach in party accounts

ONE THING unites and another divides two recent political documents tinged with more than a hint of blue. The first is "The Downing Street Years", the reminiscences of Margaret Thatcher, the former prime minister. The second is the freshly revamped Conservative Party accounts.

Both are alike in portraying events in the best possible light, where necessary with a highly partial view of events. But while the former is voluminous in its justification, ranging over more than 900 pages, the latter is, in contrast, extremely thin on detail. Which of the two is more readable or more controversial is open to debate.

The details in the Conservative party accounts, and the inadequacies in the accounts of the two major opposition parties, raises the case for a greater degree of standardisation of financial reporting among political organisations, and perhaps even for a formal set of guidelines.

There is no doubt that disclosure has increased markedly in the Conservative Party. The 1993 accounts were just four pages long, and contained a minimum of information. There was a simple income and expenditure account, showing a deficit for the year of £5.5m.

In comparison, those for the year to March 31 1993, which were released just before the Conservative Party conference at the start of this month, run instead to 20 pages enclosed in glossy covers.

The party has made the most of its auditors, Coopers & Lybrand, which it says advised it on greater disclosure,

and which it paid £27,500 for audit work and £17,700 for other accounting work last year.

It also enlisted the help of Andersen Consulting, to advise it on reorganisation. As a result, Mr Nicholas Edwards from the firm sits on a working party of the National Union designed to help with restructuring.

Perhaps most important in the 1993 accounts for the first time there is a balance sheet, which highlights the fact that the party has a net deficiency of assets of £13.5m.

That is far more than either the Labour Party, with a deficit of £10,000, or the Federal Executive of the Social and Liberal Democrats, with a deficit of just over £122,000.

But that raises a difficulty. Auditing standards state that "the facts should be explained clearly" if there is any doubt about whether the company is a "going concern".

Labour notes that its accounts have been prepared on a going concern basis because Unity Trust bank will provide an overdraft of up to £225,000 for 1993, and the Co-Operative Bank has agreed conditional overdraft facilities of £1.5m.

The Liberal Democrats note intriguingly that "funding required in excess of the joint overdraft facility is provided by certain individuals in the form of interest free informal loans".

Again, there is some reassurance. But there is no such guarantee for the Conservative Party, despite its far larger deficit. Nor is there any indication that the directors are required to prepare the accounts on a going concern basis.

The Conservative accounts give the

appearance of being forward-looking by adopting the new-style audit report and statement of directors' responsibilities, which is not yet compulsory for companies. But the party has been selective, including all elements except the one that requires the directors to remind readers of their obligations.

There are some other areas where this pick-and-choose approach is evident. The accounts apparently adopt Fred 4, the accounting standard still in draft form which stresses economic substance over legal form, by including five "quasi-subidiaries" which the party does not formally control.

Just three of these have filings at Companies House, and do provide some interesting revelations. Not least is the fact that the auditor to Bourne Association is also a shareholder in the company, a position which could be perceived as jeopardising his independence.

The inclusion of the quasi-subidiaries strengthens the Conservative's balance sheet considerably by including £5.5m in properties - mainly representing the London headquarters at Smith Square, which is held directly by a company called Bourne Association.

But Fred 4 says "a summary of the financial statements of each quasi-subidiary should be included in the note to the accounts". There is no such disclosure.

Nor do the accounts include financial details of the constituency associations, which the accounts show provide it with interest-free loans repayable on demand totalling more

than £2.7m in the last financial year, and which could also arguably be considered as quasi-subidiaries.

The Conservatives can claim that the party is not obliged to comply with accounting standards or company law. But its accounts state that they have been prepared "in accordance with accounting standards and, so far as is pertinent, the Companies Act".

In addition, the Coopers' audit report - which is not qualified - does state that the accounts give "a true and fair view", which suggests they follow the financial reporting rules laid down in company law and accounting standards.

The legal status of all the political parties is rather vague. The Conservatives won a victory against the Internal Revenue in the early 1980s that determined it was not liable to pay tax on income - though it does on leases, though the accounts make it clear the party has some.

The Liberal Democrats, audited by Grant Thornton, tucked away in reserve movements £17,189 shifted between the income and expenditure account and the general election fund from a Visa card product.

What is needed is a far clearer set of guidelines on how to define the entity for which all three parties should be accounting, more consistent application of standards, and clearer thought about the format used to show figures.

At present, there are clearly still a few too many partial political slants on the accounts presented by Britain's parties.

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The ability to make intelligent decisions and the possession of strong commercial flair, excellent presentation and interpersonal skills are prerequisites.

Interested candidates should contact Andrew Part, Director, on 041-204 3777 or write to him sending a full CV at Search Consultancy Ltd, Campbell House, 215 West Campbell Street, Glasgow G2 4TT. (Fax: 041-204 3774). Interviews will be held locally.

**SEARCH**  
Recruitment & Selection

## Financial Controller

Central London

£ Neg.

Our client operates a highly successful and growing business from their premises in central London. Supported by a small, committed and effective staff, each one of whom is an expert in his or her own field, the company buys and sells fabric in the international marketplace.

The next stage of development demands the appointment of a commercial financial controller to complement the management team and support it in achieving its strategic and financial goals - for this is a business that knows exactly where it is going.

You will be a qualified accountant, disciplined, ambitious, patient, of commercial and above all, you will have a keen eye for detail. The scope of this role will increase dramatically in the next few years, therefore you must also be able to demonstrate experience of growing an organisation and setting up appropriate financial systems and controls.

In the first instance please contact Chris Denington or Ann Heather at Grant Thornton, International House, 7 High Street, Ealing, London W5 5DB. Tel: 081 566 5900.

**Grant Thornton**  
MANAGEMENT CONSULTANTS  
The UK member firm of Grant Thornton International

## C ACCOUNTANT

A senior accountant is needed to run our Finance Section at the Crafts Council.

Applicants must be fully qualified and experienced accountants with some management experience, and must be familiar with Telexplus/Teira 2000 accounting software.

The post is permanent and the salary, depending on qualifications, will be within the range of £25,327 - £28,657 pa. There is a mainly non-contributory index-linked pension scheme.

Application forms and further particulars are available from Joanna Erle, Crafts Council, 44a Pentonville Road, London N1 9BY. Tel: 071 278 7700

Closing date for receipt of applications: 5.11.93.

## ALPS

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LTD.  
2 London Wall Buildings, London Wall, London EC2M 5PP  
Tel: 071-588 3588 Fax No. 071-256 8501

This is a key position in a fast growing area. Scope to play a significant role which can lead to a director level appointment within three years

## SENIOR MANAGER - INVESTMENT TRUST ACCOUNTING

LONDON £45,000-£55,000

LEADING INDEPENDENT INTERNATIONAL FUND MANAGER - FUNDS IN EXCESS OF £10 BILLION

We invite applications from candidates, aged 33-42, qualified ACA or ACCA, with at least 6 years successful management experience and a high level of managerial and technical skills. Reporting to the Director of Trust Accounting, responsibilities will cover the efficient management and control of the day to day operation of the Investment Trust Accounting Department, consisting of a team of 15 professionals. Particular emphasis will be placed on the development of service of the highest quality to meet client demand and continuing growth. Immediate challenges are team organisation, systems development and the enforcement of effective controls. Further responsibilities include compliance with all regulatory bodies and meeting reporting deadlines. A disciplined and methodical manner, and the ability to lead change in a strong team, are key requirements. Initial salary negotiable £45,000-£55,000 plus car, non-contributory pension, free life assurance, BUPA and assistance with removal expenses if necessary. Applications in strict confidence under reference SMITA231/FT to the Managing Director: CJA.



**HARINGEY  
HEALTH CARE**

# Finance Director

c.£48,000

London

Excellent career opportunity for an experienced finance professional to join newly-approved Trust. Key role supporting the Chief Executive developing the new organisation and implementing the tight financial controls necessary to underpin future development.

**THE TRUST**

- Will come into operation on 1st April 1994, providing high quality community health services in Haringey/Edmonton.
- Sound financial performance. Turnover c.£40m p.a. 1,400 employees.

**THE POSITION**

- Board appointment. Full responsibility for control and direction of the finance function. Report to Chief Executive.
- Key tasks to formulate financial strategy, lead corporate budgeting process, develop/implement proposals for market-testing of services and for optimising capital assets.

Haringey Health Care is working towards equal opportunities and welcomes applications from all sections of the community.

- Strengthen systems to enhance management and financial reporting. Drive cost reduction programme.

**QUALIFICATIONS**

- Professionally qualified, graduate calibre. At least 5 years at or near Board level working with multi-disciplinary teams.
- Experience of developing information systems. Track record of team building in complex, multi-site business.
- Stature and intellect commensurate with a key corporate role. Strong communicator, credible at all levels.

Please send full cv, stating salary, by 10th November 1993, Ref M4216. Informal interviews will be held on 18/19th November. Final interviews will be on 25th November. NBS, 54 Jermyn Street, London SW1Y 6LX.

**NBS SELECTION LTD**

a Norman Broadbent International  
associated company

London 071 493 6592  
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Edinburgh • Glasgow • Manchester • Slough

# Finance Director

International Group

Full Family Expatriate Package

Cayman/London

Unusual and challenging opportunity for finance professional at centre of private group embarking on major period of change. Excellent general management career prospects.

**THE GROUP**

- Privately owned; real estate, trading, shipping and financial services activities. Headquarters in Cayman.
- Long established with autonomous operations in Japan, USA and UK. Scope to improve performance through stronger financial management.
- Poised to review nature of operations and re-focus. Eventual relocation to financial centre likely.

**THE POSITION**

- Group Board appointment with full responsibility for all financial management worldwide. Report to Chief Executive.
- Key tasks are to upgrade budgeting, accounting and treasury management, working closely with line managers.

- Give strategic and commercial input. Monitor tax, legal and compliance matters.

**QUALIFICATIONS**

- Qualified, computer literate accountant with relevant experience of international group.
- Experience of international tax, treasury and general financial management. Ability to win management support for change. Age 32-45.
- Financial and commercial wisdom combined with energy and drive. Communication and diplomatic skills essential. Willing to travel frequently.

Please send full cv, stating salary, Ref BM4221. NBS, Berwick House, 35 Livery Street, Birmingham, B3 2PB.

**Birmingham 021 235 4656**

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Glasgow • London • Manchester • Slough

**NBS SELECTION LTD**

a Norman Broadbent International  
associated company

## MANAGEMENT ACCOUNTANT

RETAIL SECTOR

London

c£33,000 + Executive Benefits

This growing company is part of a leading international Plc group, with a well established store portfolio. The company is strongly positioned and is currently expanding its operations.

The Management Accountant will provide decision support to senior management. Primarily, this will involve forecasting, strategic planning, analysis of pricing/profitability and appraisal of new stores. In addition he/she will liaise regularly with decision makers to influence management action in relation to key commercial issues.

This challenging position requires a qualified accountant with at least two years post qualification management accounting experience. A background in the retail sector would be a distinct advantage. Candidates should also offer proven analytical ability and excellent interpersonal skills.

To apply please write in confidence to  
Hays Personnel Services, 9 East Parade, Leeds LS1 2AL.  
Telephone Leeds (0532) 468363.

Please quote reference DF FT/308.

**Hays Personnel Services Ltd**

# CREDIT MANAGER

CENTRAL LONDON

£35,000 - £40,000 + BENEFITS

Operating internationally our Client has established itself as one of the most successful in its sector through rapid growth and an emphasis on high levels of customer service.

A high calibre and commercially aware credit manager is now sought to head up its international credit and risk management function assuming responsibility for:

- Continuing to develop, implement and oversee a global strategy for credit and risk management.
- Developing and improving control systems for existing and new business.

- Introducing improvements for the integration of the credit control function with other functional areas.
- Indirectly managing a team of credit control professionals located internationally.

Applicants should have proven international credit control and credit risk management experience preferably gained within a corporate multinational, however a financial services background will be considered. A high degree of numeracy and computer literacy is required to facilitate the production of key management statistics and reports including experience of litigation and bankruptcy.

**ROBERT WALTERS ASSOCIATES**
**ARTHUR  
ANDERSEN**
**ARTHUR ANDERSEN & CO. SC**

"Outstanding Opportunities  
for Outstanding Individuals"

## Managers

**Audit & Business Advisory Practice**

Reading/Bristol

Exceptional Package

The distinctive image Arthur Andersen has in the market place is well founded. The firm's world renown for innovation, quality and excellence is demonstrated by its continued, outstanding growth.

Much of the success can be attributed to investment in the recruitment and development of high calibre individuals. Growth in the practice has created a rare opportunity for exceptional individuals to join the firm at manager level.

In addition to your responsibility as an Audit Manager with a client portfolio, it will be an essential part of your role to act as a business adviser. You will find yourself consulting on a whole range of matters, from acquisitions and mergers to franchise applications and stock exchange listings. This is an ideal opportunity for ambitious professionals, who have genuine partnership prospects, to work within a dynamic environment on complex challenging clients.

You should be a graduate chartered accountant who can demonstrate a strong academic background, superb interpersonal skills and clear development potential.

You will probably have a background approximating to four years PQE, of which 2-3 years have been spent as a Manager. During this period you will have ideally gained a broad range of industrial and commercial experience and exposure to clients (including listed companies) with turnover in excess of £50 million.

Perhaps you have already moved to industry or have been thinking of leaving the profession. Either way we would like to challenge you to consider a career with Arthur Andersen as an exciting opportunity open to you.

If you are interested in applying, please send a comprehensive curriculum vitae, in strict confidence, to  
Chris Nelson at Michael Page Finance,  
Page House 39-41 Parker Street,  
London WC2B 5LR.

**MP**
**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

**Lotus**

Working Together

## Controller

c £65,000

Staines, Middx

Our client, Lotus Development UK Ltd, a \$100 million plus subsidiary of Lotus Development Corporation, is continuing to experience high revenue growth. Since the launch of 1-2-3 in 1983, to the more recent Notes (which created the revolutionary Groupware concept), their products have consistently sought new ground and new standards, thoroughly deserving a reputation for quality, reliability and superiority. In an industry renowned for innovation, rapid change and corporate adaptability, Lotus have led from the front.

They seek a Controller to manage the finance functions, comprising a team of 20, for the UK, Middle East and Africa. The role reports directly to the Managing Director of Lotus Development UK and functionally to the International Controller. Charged with both defining and implementing areas of policy, initial challenges will include:

- Control issues on remote sites.
- Major systems enhancements.
- Structural change.
- Complex sales negotiations and agreements.

Responsibility also covers management of the Sales Planning Group, the credit control function, planning and budgeting, performance and risk.

analysis and the provision of all management and statutory information to tight deadlines. It is expected that the jobholder will impact profoundly and positively on the performance of the business.

Only those who can display a track record of initiating and managing change in a competitive, challenging environment should apply. Previous experience in both US multi-nationals and hi-tech industries would be advantageous; remote site responsibility is a prerequisite.

Strong negotiating and communicating skills must be combined with independence, maturity, commercial awareness and, above all, adaptability as the role is certain to broaden and develop, such is the culture of Lotus, dictated by their rapid rate of progress.

On offer is not just a well remunerated senior position in a market leader, but the opportunity to genuinely influence one of the most exciting and demanding companies in the UK.

Interested applicants should write, enclosing a comprehensive curriculum vitae, to Don Chavasse or Renny Hayes at Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire SL4 6BW, quoting reference NSO 168345.

**MP**
**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
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## Group Accountant

Luxembourg

Our client is an international telecommunications company, operating through 16 countries worldwide. Set up in 1990 the company, through organic growth, has established itself as a significant force in the international market place. As a result of a corporate merger, the company will be listed on the US and Luxembourg stock exchanges with a proposed market capitalisation of US\$1bn.

As a result of this growth, they plan to establish a new role as Group Accountant. Primary responsibilities will be to assist in:

- Quarterly consolidation of operations in a multi-currency environment.
- Review and analysis of reports from joint ventures and subsidiaries worldwide on a quarterly basis.
- Close liaison with international senior management to facilitate a meaningful review of budgets and forecasts on a regular basis.

- Statutory international reporting to IASC & US GAAP format.

The successful candidate will be aged 27-32 years, ACA qualified, with a successful track record within an international firm. Experience of US GAAP or detailed consolidation experience is essential. Knowledge of a European language is not necessary since business is conducted in English. Strong communication and interpersonal skills are required in order to succeed as part of a team in this fast moving, multi-cultural environment.

This is an excellent opportunity to join a rapidly expanding international group with genuine prospects for progression.

Interested candidates should apply to  
Peter Gerrard, Michael Page Finance,  
Page House, 39-41 Parker Street,  
London WC2B 5LR.

**MP**
**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

**W**
**WIMPEY HOMES EUROPE**

## REGIONAL FINANCIAL CONTROLLER

Hook, North Hampshire

With the unification of Wimpey's £500 million European and International Homes businesses has come a greater decentralisation of responsibility to local level.

To Wimpey, this means increased business effectiveness as their regional teams exercise greater commercial control. To their managers and you - it means the opportunity to take the strategic decisions which determine the returns on some of their key investments.

Although you'll be happy taking on this amount of commercial responsibility and autonomy, this new position has been created specifically for a team player and builder. You'll work just as closely with your Regional Director and

the management team as your support staff. Your budgetary and cost-control advice will be as important to local management as to head office. In short your contribution to the £75 million regional turnover will have to be felt at every level of the business.

As you would expect, this position commands the salary, car and comprehensive benefits necessary to attract a high calibre, commercially-minded and experienced qualified accountant, ideally aged 30-35.

Please write with full CV, including salary history and daytime telephone number quoting reference 3034/FT, to John Sleigh FCCA, Phillips and Carpenter, 2-5 Old Bond Street, London W1X 3TB. Tel: 071 493 0156 (24 hours).

**Phillips & Carpenter**
**Selection Consultants**



whiteheadselection

## Divisional Finance Director

### International Services Group

London

c. £75,000 + benefits

The company is a market leader in the provision of specialist services to major international customers worldwide.

You will be accountable for the full range of financial management activities and, as a senior board member, work closely with the managing director on formulating and executing commercial strategies. Key tasks will be to maintain tight financial controls, ensure effective operational management, contribute to the development of performance measurements and provide leadership to the divisional finance team.

Probably early- to mid-thirties, you will be a qualified accountant, blue-chip trained, with management accounting experience in an operational, multi-currency environment in a significant international group. You must combine the ability to exert strong financial controls with commercial judgement drawn from a clear customer orientation and an understanding of broader business issues. Strength of character, well-developed communications skills and a disciplined approach to problem-solving are important qualities.

Please write enclosing a full CV, quoting reference 665, to Peter Evans, Whitehead Selection Limited, 43 Welbeck Street, London W1M 7HF.

A Whitehead Mann Group PLC company.

whiteheadselection

whiteheadselection

## Group Financial Controller

London

c. £80,000 + benefits



Legal & General Group plc is one of the leading UK-based financial services groups, engaged in life and pensions, general insurance and investment management.

Following an internal promotion, an exceptional Group Financial Controller is sought to manage all aspects of external and internal reporting. Reporting to the Group Finance Director, he/she will act as an authority on accounting standards, policies and procedures throughout the Group.

This highly visible role calls for a mix of staff management and technical abilities. The ideal candidate will be a Chartered Accountant trained in a 'Big 6' firm, possibly direct from the profession, but most likely with a record of achievement in a senior accounting position in a major company. Experience of systems development and corporate transactions is important.

Please write enclosing a full CV, quoting reference 664, to Nigel Bates, Whitehead Selection Limited, 43 Welbeck Street, London W1M 7HF.

A Whitehead Mann Group PLC company.

whiteheadselection

Expansion of the finance function in the European Headquarters of this major International Group has created two exciting opportunities. The Group has 48,000 employees, worldwide turnover of £2B and a diverse portfolio of expanding multi-site service sector businesses throughout both the U.K. and Continental Europe.

### Manager - Internal Audit

### Genuine Pan-European Involvement

Working largely in the businesses throughout mainland Europe, you will be responsible for risk assessment, the approval of compliance audit programmes and for monitoring related work plans. This will require the ability to build relationships with Senior Managers across national and cultural boundaries, internally and externally. Ideally experienced in multi-business audit and used to acting as a mentor to the finance function, you have strong presence and a diplomatic but determined approach. Fluency in a major European language is a distinct advantage.

Rewards are flexible to attract the best candidates. Competitive salaries will be enhanced by performance related bonus, cars and a benefits package commensurate with multinational best practice. The European HQ is close to Heathrow Airport. To find out more about these exceptional opportunities, please telephone our Consultant, Patrick Hill on 0734 566123. Alternatively, write to him, with your full CV and details of current remuneration, at Aston Zoraster Limited, Westminster House, 58 London Street, Reading RG1 4SQ.

### Corporate Accounting Manager

### International Consolidation Role

Promoting UK accounting and budgetary principles to European subsidiaries is the major challenge in this high profile position. You are responsible for a Lotus based UK and European statutory consolidation system, and for liaison with the International Headquarters. Accounts are prepared on a weekly, monthly and semi-annual basis and a busy acquisition programme is likely to lead to interesting ad hoc assignments from the Finance Director. Ideally a graduate with five years post-qualification experience, you are ready for more responsibility.

**Aston Zoraster**

INTERNATIONAL SEARCH & SELECTION



## FINANCE MANAGER

C. £26,000 + performance related pay.

Community Housing Association is a leading inner city housing association providing affordable housing for rent in North London. Due to the expansion of the Association and the restructuring of the Finance Department we are seeking a qualified accountant to take charge of our accounting systems and transaction processing.

Reporting to the Finance Director, you would take charge of a team of five, and whilst we are looking for good technical skills, the ability to lead and motivate staff is paramount. A background in housing or commercial property is not essential, but we will expect you to have a first rate understanding of accounting systems and internal controls. You will need to be assertive and able to communicate clearly both orally and in writing. Because the Association is growing significantly and is in an industry which is constantly changing, you will need to be innovative and creative. Because you will have responsibility for all transaction processing as well as the preparation of the Association's statutory accounts, you will have to be able to demonstrate experience of keeping to deadlines in a fast moving environment. It will help if you are in sympathy with the Association's social objectives, but you must be able to work to the highest commercial standards.

Benefits include 25 days annual leave, six additional recess days, permanent health insurance, pension scheme and season ticket loan scheme.

For an information pack please send a postcard with your name and address, stating where you saw the advertisement to:

The Personnel Officer  
COMMUNITY HOUSING ASSOCIATION LTD  
68-70 Parkway, London NW1 7AH

Please note that only completed application forms, NOT CVs, will be considered. CLOSING DATE: 12th November 1993.

CHA is an equal opportunities employer.

### Central London

The Company is a high profile expanding UK Plc operating in the media industry. With substantial interests in the United States and increasingly in the European and Asian markets, it has grown rapidly over the past four years, both organically and through a focused acquisition programme.

Working in a small head office team, with regular exposure at Board level, the individual will assist the Group Treasurer in all treasury related matters. The main emphasis of the position is to "add value" to the group as a whole and specifically to integrate recent acquisitions into the groups' treasury systems. There will be opportunities for the individual to identify areas where efficiencies could be made anywhere in the group worldwide.

The ideal candidate will be a qualified Accountant or MBA

### Excellent Salary + Benefits + Car

with a strong academic background and at least five years corporate treasury experience in a group environment. Confidence, assertiveness and demonstrative ability to rapidly establish credibility with the group's operations are the key to success in this role. Excellent communication, interpersonal skills and attention to detail are pre-requisites.

The package will include a salary, dependent on experience, a company car and other benefits. The career opportunities are excellent.

For further information in the strictest confidence, please send your resumé to Raj Munde, quoting reference 9/1542, to Morgan & Banks Plc, Brettenham House, Lancaster Place, London WC2E 7EN, or alternatively telephone on 071-240 1040.

**Morgan & Banks**

INTERNATIONAL

## CHIEF ACCOUNTANT

c£34,000 + bonus + car + executive benefits

Birmingham International Airport plc is one of the most important and commercially successful companies of its type in the UK. We are now seeking to establish a unique public/private sector partnership which will bring significant investment to develop the airport to meet the needs of air travel into the next century.

Crucial to our future success is the effectiveness of the 22-strong finance team. As Chief Accountant, you'll provide not only the leadership, technical ability and motivation to get the job done, but also the ideas and imagination to improve and develop financial reporting and control.

A Chartered Accountant with at least five years' post qualification experience.

you will have a successful track record in managing people and change. Strong, up-to-date technical skills are an essential prerequisite, and experience in corporate finance will be an advantage.

For an application form and information pack, please telephone or write to the Personnel Department, Birmingham International Airport plc, Birmingham B26 3QJ. Tel 021 767 7269.

Closing date for return of completed applications 11th November 1993.

**Birmingham International Airport plc**

## FINANCE DIRECTOR

### FOOD INDUSTRY

to £37,500 plus bonus and share options, car & executive benefits package

East Midlands

A major international plc, our Client is a well known supplier of a wide range of perishable products to the UK grocery multiple retailers.

Following internal promotion, they seek to appoint a Finance Director to join the executive team of one of their key autonomous subsidiaries.

Reporting to the MD, the successful applicant will head up the finance department, take full responsibility for financial and management accounting and control and in time deputise for the MD in his absence. As important, will be a significant contribution to the commercial decision making of the business both tactically and strategically in a very competitive market place.

The pace is fast; the management style "hands-on"; the technology sophisticated. Success in this challenging role demands a qualified accountant, ideally aged 30-40, with at least 5 years' senior accounting experience gained in a major food/retail organisation. Some international exposure would be useful. Commercial breadth, energy, excellent communication and influencing skills are certainly necessary.

The Company offers a reward package as indicated, including relocation assistance if required and outstanding career opportunities both in the UK and overseas.

Please apply in writing enclosing a current cv and salary details to: Jill Lye-Search and Selection.

Please quote reference 028

Ashbourne Business Centre  
Dig Street, Ashbourne,  
Derbyshire, DE6 1XJ  
Tel: 0335 300020/300445  
Fax: 0335 300168

**jill lye**

■ search and selection

## Corporate Finance

### Leading British Merchant Bank

#### Accountants/Lawyers

This well known, London-based investment banking group has a major presence in the UK and internationally, and a leading position in investment banking, securities and asset management. Highly profitable, it is committed to controlled expansion by exploiting its proven expertise and prestigious reputation.

As a result of recent successes and new business development, opportunities exist for young, dynamic managers to join the expanding UK corporate finance team.

Operating within a meritocratic structure, successful candidates will service a diversified client portfolio on a Europe-wide basis. The role will cover a broad range of capital raising, corporate finance and M&A services, and focus on deal execution with involvement in transactions from inception to completion.

Aged in their late 20s to early 30s, candidates will be graduates with either an accountancy or a legal

#### Competitive Package

qualification, and between 3-5 years' UK corporate finance experience. In addition to excellent technical and commercial skills, initiative, self-confidence and resilience will be required, together with considerable self-motivation. Strong interpersonal and presentation skills, together with an ability to interact effectively with clients and colleagues, are essential.

This represents an excellent opportunity to grow with an expanding and successful independent investment banking group with operations both in the UK and internationally.

The attractive remuneration package will comprise a competitive base salary, a performance-related bonus and normal banking benefits.

Please send a full CV in confidence to GKRS quoting reference number 240J on both letter and envelope, and including details of current remuneration.

**GKRS**

SEARCH & SELECTION

CLAREBELL HOUSE, 6 CORK STREET, LONDON W1X 1PB. TELEPHONE: 071 287 2820  
A GKRS Group Company



ROBERT  
HALF  
&  
FINANCIAL  
TIMES  
INVITE  
YOU TO A  
FREE  
BUSINESS  
BREAKFAST

FINANCIAL TIMES  
EUROPE'S BUSINESS NEWSPAPER

## FIT TO MANAGE?

Are you and your team fit to meet the  
challenge of the 1990's?

In London on Thursday 18th November 1993 at  
The London Marriott Hotel Grosvenor Square, W1.  
8.5am - 9.30am

In Southampton on Tuesday 23rd November 1993 at  
The Hilton National Hotel, Bracken Place, Chilworth, Southampton.  
8.5am - 9.30am

If you wish to attend either of the Free  
Business Breakfasts, please write to the  
appropriate office below, stating your  
company and job title.

London -  
Rachelle Nelson at Robert Half,  
Walter House, 418 The Strand,  
London WC2R 0PT.

Southampton -  
Lynne Kelsey at Robert Half  
6 The Carronades, New Road,  
Southampton SO2 0AA.



This breakfast briefing will be given  
by Dr Richard Smith, Editor of the  
British Medical Journal and regular  
broadcaster and writer on many  
aspects of managerial health in the  
1990's.

His talk will cover:-

- Lifestyle - when the flannel stops  
and the evidence begins.
- Health checks - are routine check  
ups vital reassurance or a waste  
of time and money?
- Stress - where's the stress worst  
- at the top, with the Chief  
Executive or at the bottom, with  
the redundant employee?
- Exercise - how it helps you to win  
in mind and body.

Richard Smith understands the  
business pressures for today's  
managers and the toll they can take  
on health and workplace performance.

Dr Smith has wide experience  
of lecturing and broadcasting and  
has written for many lay and  
professional British and international  
publications. He spent four years as  
the resident doctor on BBC Breakfast  
Time and co-presented two series  
of programmes on BBC1 and ITV. He  
has made programmes for BBC2 on  
how medicine is driven more by  
fashion than science and how the  
media depict scientific stories.

Dr Smith is a Fellow of the Royal  
College of Physicians and a member  
of the faculty of Public Health  
Medicine.

Places at the Breakfast are strictly limited.

## Group Treasurer

A major new treasury appointment

Package to £60,000 + Car

London

This prestigious and profitable service  
group has an annual turnover in excess of  
£600 million and a network of branches  
throughout the UK. It is currently part of  
a larger group structure but plans are  
well advanced for its independent  
floatation within the next twelve months.

Our client therefore wishes to appoint  
a Treasurer whose role will be to  
establish, manage and develop a treasury  
function from scratch. Key tasks will  
include the optimisation of cash  
resources, creation of a funding strategy,  
FX management and introduction of  
techniques to reduce borrowings. Future  
expansion following the floatation could  
also lead to an involvement in M&A,  
investor relations and strategic tax  
planning.

Reporting to the Group Finance  
Director the successful candidate will be  
a graduate with a recognised treasury or  
accounting qualification (MCT or ACA).  
Probably aged at least 35, you should  
have proven senior level treasury  
experience gained in a sophisticated blue  
chip environment. We are looking for a  
disciplined, logical planner with the flair  
to create a new function and the personal  
qualities to establish credibility at the  
highest levels.

If you wish to apply for this position,  
please write - in confidence - enclosing a  
CV and details of current remuneration to  
Paul Carvoso, Ref: A54A41, MSL Group  
Limited, 32 Aybrook Street, London  
W1M 3JL.

**MSL International**  
CONSULTANTS IN SEARCH AND SELECTION

### Appointments Advertising

appears in the UK edition every  
Wednesday & Thursday  
and in the International edition  
every Friday.

For further information please  
call:  
Gareth Jones  
on 071 873 3199

## European Financial Controller

Computer Software & Peripherals

Home Counties - Excellent Package Negotiable

The company is a leading direct marketer  
of microcomputer hardware, software and  
peripherals, with worldwide sales of more  
than \$400 million this year.

The European operations have recently  
doubled in size to six countries and the  
Company is poised for further growth in the  
short-term. Consequently, as a result of  
internal promotion, an accomplished  
finance professional is required.

Reporting to the European General  
Manager the EFC will be responsible for  
control of all aspects of European finance  
including:

- Financial Control and Reporting
- Asset Management
- Business Planning and Forecasting

Will play a key role in ensuring the  
continued development and success of the  
European business as part of the European  
Management team.

Aged 35 to 45, candidates will have a  
recognised professional UK accounting  
qualification and a minimum of three years'  
experience in a senior European financial  
management role.

Good knowledge of German and/or French  
is desirable but not essential. Excellent  
people skills, a strong team approach and a  
"hands-on" attitude are essential.

Please send a full CV and remuneration details  
to Stephen Neal, AH Selection, Brunel House,  
38 Savile Row, London W1X 1AG.  
Telephone: 071-287 9565

A Division of Alexander Hughes Ltd, Executive Search Consultants

## FINANCE DIRECTOR DESIGNATE

Northern Property and Hotel Group

Finance Director required for substantial Property Company with  
Hotel and Retail interests based in the North of England.

The applicant should be qualified with experience in the property industry with a view to, in the very  
near future, being the Finance Director of the Group with the appropriate rewards.

Write to Box B1882, Financial Times, One Southwark Bridge, London SE1 9HL

UK and German responsibilities

## INTERNAL AUDITOR -RETAIL BANKING

Base Pay £20K + Bonus + Car

If you are looking for a company which is  
growing, increasingly profitable and can offer you  
the opportunity to develop your knowledge and  
expertise then we can help you.

We are based in the UK but have internal audit  
responsibility for our German affiliate company.

Extensive travel in Germany and the UK will be  
required so where you reside is not a consideration.  
Obviously excellent verbal and written German is  
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Judy Dempsey on efforts to alter staff attitudes at a German cable group

## Berlin connection

Rainer Hemmann has set himself two goals. As manager of KWO Kabel, the east German cable maker bought by Britain's BICC last February, he naturally wants his enterprise to become competitive on the world market. But he also wants the 2,200 employees to ask questions.

"The company will only succeed if everybody takes the initiative," says Hemmann, who moved to east Berlin last March after BICC poached him from Siemens. He had been running one of the German company's subsidiaries in the Slovak Republic.

"In the old days of centralised planning, employees were penalised for asking questions. They were not allowed to have a personal opinion," he explains. "By contrast, we want to know what our staff thinks, so that management here in Berlin can understand the local culture and what motivates people. After all, BICC's philosophy is based on delegating responsibility to local management."

Last month KWO demonstrated its commitment to employee involvement by inaugurating a DMBA (25.5m) training programme. Spread over 30 months, courses will include computer, management, leadership and language training. But it is the first "Understanding the Business: The Enterprise in the Market Economy" - which attempts to create a corporate identity based on espousing the principles of the market economy.

"Over the next year, every single member of the workforce, divided into groups of 20, will attend this two-day programme. It will focus on understanding the BICC group, why it has bought KWO and what KWO Kabel wants to achieve," says John Woodthorpe, director of strategic planning.

The big challenge, though, is how to shift attitudes away from the centralised planning structure to the needs of the market economy. Hemmann readily concedes that this is a long process which requires a lot of patience. "For example, when we took over KWO, we inherited excellent technicians and fine engineers. But nobody asked, indeed, nobody was concerned, about the quality of the product. The staff at KWO were told to produce a certain number of kilos of cable, which they did. But the enterprise was producing about 20 per cent of scrap. Yet this was



Rainer Hemmann and the KWO Kabel factory in east Berlin. "In the old days employees were penalised for asking questions"

recorded as production of cable." To cut waste, the management realised it had to link the level of wastage with explaining the principles of the market economy. "At first, we set out a few clear guidelines," says Hemmann. "Under the centralised economy, we tried to show how the producer was boss, but in the market economy the customer is king: how shortages of materials were part of a planned economy, but in a market economy, orders have to be won through quality and competitiveness," he added.

On a practical and often basic level, the management has had to show that everything has a price. "There was so much wastage. Heating was regulated by opening or closing the window - typical of any country in eastern Europe. Nobody thought about turning the knob on the radiator, or introducing a thermostat system," says Hemmann.

To help achieve a shift in values, the company has introduced two structures of communication: a vertical system, which entails more than simply issuing ideas from the top down - it seeks to generate discussion about them from the bottom upwards; and a horizontal system, designed to foster communication across all departments within KWO.

The first system, the widely used cascade model, was recently introduced at KWO. It is aimed at encouraging employees to become

involved in decision-making. "That means asking questions," says Woodthorpe. "When the management has a suggestion and we want to get feedback, we brief the team leaders of each department. They in turn brief their own members to whom they distribute the sheets of suggestions and invite questions or comments about them."

When the system was first introduced in May, there was little response from the employees. By last month fear and deference were giving way to more open attitudes. The management was receiving remarks and answers to 70 questions.

This method is having a positive effect on productivity. When BICC took over KWO, average productivity was about 60 per cent below those in the cable industry elsewhere in Europe.

To monitor the improvement, the management introduced a system of assessment on a monthly basis. Productivity is now about 70 per cent of world levels. The scrap ratio has fallen to 2 per cent. The target is 0.8 per cent by 1995.

The horizontal, or second method of communication, cuts across all departments in KWO and is regarded as equally important for changing old habits and reflexes. "When BICC took over KWO, a strong fear mentality existed in the enterprise. People were penalised

for trying to do more than what their job description spelt out. There was no concept of the internal customer," says Hemmann.

"For instance, if we want to design a new cable, it cannot be done in a vacuum. The employees must know the nature of the product, the costs, the availability of equipment, the marketing and the needs of our customers."

In other words, to get a product off the ground we need a horizontal system of communication. KWO is an integrated structure, each department depending on each other for success and winning customers. This helps forge a much stronger understanding and corporate identity with the company because everyone is involved."

Strengthening the employees' identification with the company may also help the staff overcome any suspicion that KWO is just another foreign-owned company in eastern Germany managed by westies, or west Germans, who will look down on the east, or easterners. This is a prevailing view, although diminishing, among east Germans.

"I do not make any distinction about where anybody comes from," Hemmann insists. "Everybody is a KWO employee. If you start creating different categories [between westerners and easterners] you will never achieve the corporate objective of making one company."

## How to bend the chancellor's ear

There's still time to lobby the Treasury before next month's Budget. Peter Marsh looks at the best tactics

In what no doubt made a pleasant change from poring over economic data, two UK Treasury officials flew to Scotland earlier this year for a day's tour of whisky distilleries. The visit was part of an orchestrated campaign by the Scotch Whisky Association to maintain contacts with the UK's economic policymaking department ahead of next month's Budget.

Lobbying for the Budget is - as this anecdote illustrates - an around-the-year affair. None the less the next few weeks will see a particular flurry of contacts between the Treasury and the outside world as a range of groups attempt to bend the ear of Kenneth Clarke, the chancellor, before he delivers his Budget strategy on November 30.

Anyone hovering outside the department's London headquarters overlooking parliament next Tuesday will see people from an array of organisations trooping in to argue their case. On that day, for example, officials from the Brewers' Society (a trade group representing the beer industry), the Trades Union Congress and the Chamber of Shipping (which represents shipowners) are having sessions with Clarke.

Ahead of the Budget - the first to cover tax policy and public spending - about 10 organisations have won a personal audience with the chancellor. On these occasions he sees people with a small group of important officials.

Other groups pencilled into his diary include the Confederation of British Industry, the Institute of Directors and the Housebuilders' Federation.

At all these gatherings, the main aim of lobbyists is to convey the importance to the UK economy of a particular sector - with reasons why it should either be helped out by a particular dollop of special support (such as capital allowances for investment) or should be treated favourably in the area of tax policy.

people in the lobbying businesses. Mark Boleat, who recently took over as director general of the Association of British Insurers after seven years as head of the Building Societies Association, says the importance of the sessions is "over-rated". He believes a prolonged period of contacts with the Treasury over a course of months or years is more likely to bear fruit.

Among lobbying groups highly regarded within government circles - though this November they have not been given a date in Clarke's diary - are the British Film Institute, the Country Landowners Association and the British Road Federation. These organisations - and senior managers in companies tempted to act independently - should

mind when producing the literature, which should be concise and not contain too many jazy illustrations.

Do not overdo the hospitality. Most Treasury officials are difficult to corrupt. On their visit to Scotland the two Treasury employees - with one Customs and Excise official - paid their own airfares and were given a far from lavish lunch. "We wanted to illustrate the effect of whisky on the economy, not on the palate," says Tony Tucker, the association's public relations manager.

Use economic models. Hire outside economic consultants to work out what impact the tax or policy changes you are advocating will have on demand and supply. Even if Treasury officials do not agree with your reasoning, they will at least follow your arguments better on the grounds that many are comfortable with models. The Centre for Economics and Business Research, a London consultancy, has been used by the Chamber of Shipping to work out the likely effects of changes in the tax regime on the shipping industry.

Try not to hypothesise a big drain of tax revenue from the Treasury. If there is one thing that will dissuade Treasury officials from a particular policy it is a large net negative stream of tax revenue - even if the policy actions you are advocating have the potential to deliver an overall economic boost. Therefore, always try in your economic reasoning to introduce some extra tax revenues for the government. This could, for instance, be in five years' time when the impact of a specific policy action - say a tax break for a specific sector - which over a longer period will lift economic activity and so boost tax intake - has worked through.

Target others apart from the Treasury. It is important to maintain contacts with MPs who can put pressure on ministers for policy changes and also cultivate journalists who might write stories with a favourable "spin" which can help your cause.

Always try in your economic reasoning to introduce some extra tax revenues for the government

consider the following guidelines:

1. Maintain contacts. Send in literature about your sector - and the policies you are advocating - to Treasury officials throughout the year. If you have a special reason to invite civil servants to your factories or offices - perhaps having your case around the Treasury's new-found interest in sending its civil servants out of the office more to talk to industrialists - then follow the lead of the Scotch Whisky Association. If you have someone famous in your circle - the film institute in the past has been adept at introducing people at the Treasury to well-known actors - this might help your case.

2. Understand the Treasury mind. One person who knows the department well says: "I think of Treasury officials as stamp collectors. They are keen on collecting pieces of knowledge and arranging them in nice piles and feel fairly passionate about the result." Bear this maxim in

## PROPERTY

### Break with the past

Planning rules on historic buildings in the UK must be reviewed, says Stuart Robinson

How many relics from the past should be preserved and how long should they be retained before seeking more contemporary replacements?

This dilemma is particularly acute in relation to historic buildings in the UK. Tough choices are inevitable, and lack of resources limits the number of conversions of buildings that do not fit with current lifestyles or economic needs.

Yet there is a danger that the approach to the listing of buildings could backfire. The whole process is threatened by the increasing practice of listing buildings which cannot be viably used.

Earlier this year Mr Michael Cassidy, chairman of the City of London Corporation's policy and resources committee, warned that planning controls on listed premises were deterring potential occupants.

He has asked English Heritage, which advises the government on these matters, to support a code drawn up by the corporation designed to fill as many historic buildings as possible. Behind the code are the City's twin aims: that important buildings are places where people should be encouraged to live and work; and that planning regulations should not, in effect, lead to unused and empty premises.

A check must be placed on the listing process by: ensuring that candidates for listing status pass a test on whether conserving the building is viable;

encouraging schemes which might alter existing listed buildings.

About one in every 10 buildings in England and Wales enjoys statutory protection through listing. Although rarely enforced, the accompanying legislation makes it an offence to demolish or even damage a listed building.

A 1992 report by the National Audit Office, the government watchdog, on English Heritage's heritage property found that 14 per cent of protected buildings are vulnerable to neglect and in need of repair, with a further 7 per cent in a poor or bad state of repair. In total, some 100,000 listed buildings, or more than one in five, are not being maintained in the manner envisaged by the legislation.

Yet the number of listed buildings is growing rapidly. In 1970 there were 12,000 listed premises in England and Wales; today there are 500,000.

Architectural groups such as the Twentieth Century Society are lobbying the Heritage Department to widen the scope of listed buildings. English Heritage has launched an initiative to list more buildings, especially modern buildings.

The Royal Fine Arts Com-

mission, which assesses the aesthetic merit of proposals for listings, has suggested that it too should be authorised, alongside the heritage secretary, to accord a listing status and to acquire listed buildings.

Critics argue that placing more authority in the hands of unelected bodies such as the RFAO is a retrograde step, as it loads the dice still further in the favour of preservation rather than realism.

Yet amid the public debate, one question remains unanswered: who is going to pay for the maintenance and refurbishment of such premises?

The National Audit Office indicated in its report that the UK is already struggling to maintain its existing listed buildings. If the number of listed buildings is to be increased then it must be accompanied by a rise in the level of aid (currently £120m a year) to heritage groups; other fiscal incentives should also be introduced, such as raising the level of rating relief which is available to listed buildings.

The Department of the Environment recently took the unprecedented step of compulsorily acquiring a grade one listed building, a former spa

hotel in Burton, because of the failure of its owner to do anything about its neglect. If this is a precedent, then the DoE's budget will have to be increased to meet the needs of similar cases of neglect.

There have been 16 acts of parliament designed to conserve important buildings. Mr David Curry, UK local government minister for England, says that "the planning system must balance the need for economic growth with the need to protect our historic buildings".

This statement, however, made in the context of a draft policy guidance on listed buildings, does not signal any "bonfire of legislation", as a prelude to a new approach.

The alternative is to try and inject some confidence into the architectural profession by inviting it to exercise a freer role in the development process. One encouraging move was the victory by Lord Falumbo to redevelop One Fenchurch in the City. The project would mean the demolition of several listed Victorian buildings and the creation, according to the government official's recommendation, of what "might be a masterpiece".

We must be conscious of our duty to keep important relics. But rather than the prevailing scholarly approach to listed buildings, what is required is an injection of a more creative force. This could be just the encouragement for architects and developers to improve or replace ageing buildings with developments more suited to contemporary needs.

The author is head of planning with property consultants Hillier Parker

### Rise in capital values offsets fall in rentals

The total return on the Investment Property Databank all-property index in September was 1.5 per cent, thanks to a strong rise in capital values which more than offset a continued decline in rental values.

The total return on all properties for the third quarter was 3.9 per cent, significantly higher than the first quarter figure of 0.8 per cent and the second quarter's 2.5 per cent.

The year to date figure is 7.4 per cent, equivalent to an annualised return of 9.7 per cent, raising the possibility that, if

the most recent levels of return continue for the remaining quarter, the figure for the year as a whole will be back in double figures.

The strongest sectors in the month were again offices and industrial properties.

Yields on offices fell to 9.5 per cent; and on industrial property to 11.1 per cent. For all properties, the yield was 9.6 per cent.

For the year to date, the total return on retail properties has been 9.2 per cent; on offices 4.9 per cent; and on industrial properties 7.9 per cent.

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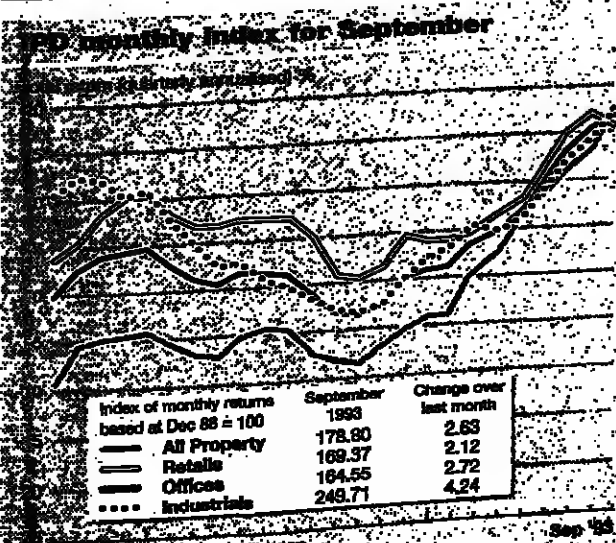
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## TECHNOLOGY



A CREATIVE scientist's cartoon image has wild, unkempt hair, dishevelled clothing and a manic stare - in short, a "boffin" who ignores company protocol, overrides management decisions and cannot comprehend the word consensus. Try to promote him (never her) to manager and the chances are that it will end in tears.

A caricature it may be, but there is a growing recognition in some European high-technology companies that scientists and engineers are a prime resource and that the management structure should be altered so that such employees can be rewarded for the quality of their research, rather than how many staff they control, or their skill at managing a budget.

Such is the case at ICL, the London-headquartered computer company owned by Fujitsu of Japan. "In some cases quite good people were trying to turn themselves into managers so that they could advance their careers," says Andrew Boswell, technical director of ICL. "But the main benefit they brought to the business was technical."

In 1990, after 10 years of informal arrangements, ICL introduced its technical career structure, a "road map," as Boswell calls it, to show junior staff how they can develop their technical skills.

"When I talk to new recruits it is one of the things they mention. They can decide quite specifically what will determine their advancement within the company."

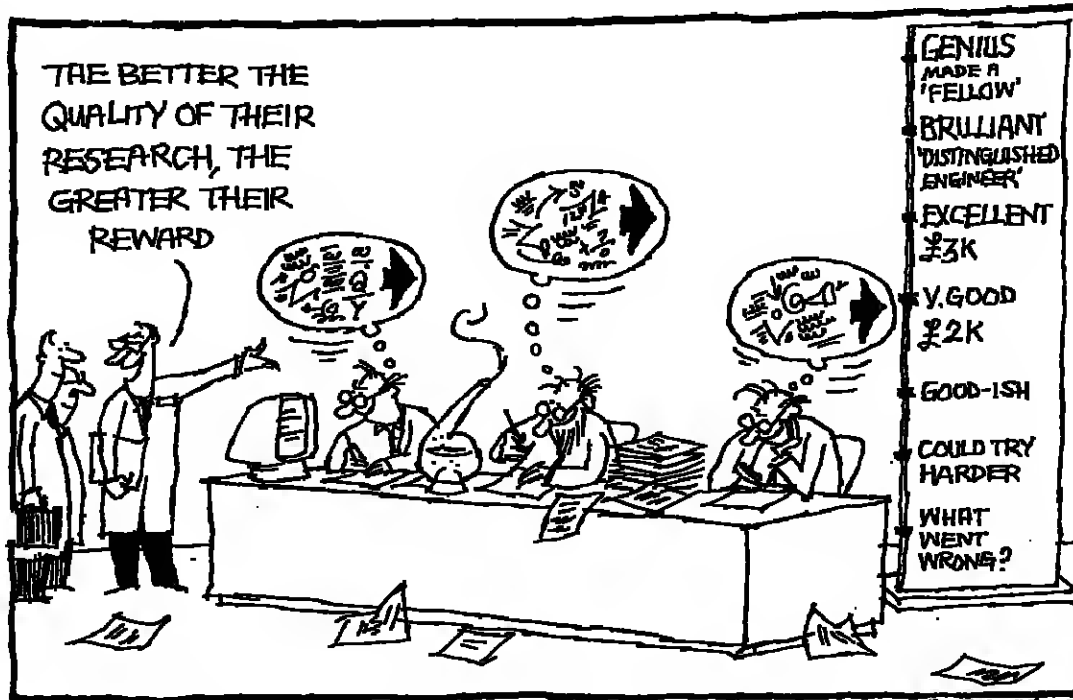
Paul Watson, for example, joined ICL's West Gorton, Manchester, development team three-and-a-half years ago after conducting joint research with ICL while a lecturer at Manchester University. The research on parallel processing computers (where numerous streams of information are processed simultaneously) culminated in last week's launch of the Gold-rush computer.

Improved salary aside, ICL's technical career structure was the big attraction for Watson.

"I could see there were people very high up in the company who were doing purely research. They had no line management responsibilities."

The complexities of introducing such technical development schemes in large and unwieldy organisations has meant that other companies are only just beginning to follow ICL's lead.

Telecommunications company BT began to roll out its professional career paths scheme this July. "The aim is to support the career development needs for technical and specialist staff," explains Penelope



Della Bradshaw reports on ICL's career structure for technical staff which keeps pace with managerial posts

## Rewards for the scientists

Johnson, management development manager.

Johnson believes the scheme will prove useful in maintaining specialists' enthusiasm and innovative thinking within the growing demand for "flatter" organisations, where sideways rather than

**Every job has a specific job description and that is mapped into the career structure**

upwards moves become commonplace.

At ICL the structure, which applies to 3,000 development staff in the UK and some of the 2,000 who work for the company overseas, outlines job levels from technicians to the most senior engineers.

Each grade has a range of salary levels allocated to it which are equivalent to management salary

levels. Every job has a specific job description mapped into the career structure and salary scales are published.

For the more senior engineers, promotion takes the form of review panels, with emphasis being placed on a technical audit of a person's work. Promotion can mean a move to another job or can involve continued development in a project.

Those progressing up the promotional ladder are expected to take more responsibility for the design on which their team is working, or might have to demonstrate their ability to work with, for example, the marketing department. "The difference between senior levels and junior levels is that senior-level jobs call for a higher degree of technical strategic contribution," says Boswell.

For those who reach the top, ICL is generous with its titular rewards. Ten employees have been dubbed ICL fellows, the technical elite of the company. Another 25 have been given the title of "distinguished

engineers", a scheme introduced in April. A further 15 will be appointed shortly and eventually there will be 100 employees with the title.

The title is all the honour boasts - there is no cash reward. But says David Brain, manager for human resources development at ICL, the

**'Promotion can mean a move to another job or continued development in a project'**

title is what the distinguished engineers want. "At that level most engineers, in my experience, appreciate the recognition of their engineering skills rather than an extra £2,000 or £3,000."

The distinguished engineer scheme has had a two-fold purpose: as well as rewarding staff it has helped ICL bind together its engineering community as the various

divisions in the company become autonomous. Distinguished engineers are expected to meet regularly to discuss developments and exchange ideas.

"Our whole business success depends on our engineering and our ability to innovate," says Boswell. "Unless we find ways of sharing information we will have difficulty staying ahead."

Peter Wharton, chief engineer and an ICL fellow, believes the technical career scheme has been successful in acknowledging the value of the technical staff. "There are a lot of clever people around and we have made them realise that they are of value. Very good programmers can stay as very good programmers. The structure enables that."

Wharton also believes that the structure has helped to retain skilled staff. "We've kept together and developed some very good and strong design teams. We've protected them from the pressures of a big company. They might otherwise have gone into a small company where they are able to be more innovative."

Promoting the culture of a small, innovative company in a multinational organisation is an extraordinarily difficult task, says Bill Baxter, consultant in the product development division at Cambridge Consultants (CCL), where the bread-and-butter work is product development and consultancy for outside customers.

Baxter has done consultancy work with the consumer electronics arm of Philips, the Dutch group, in Leuven, Belgium and the Singapore government to help them change the culture in which research is carried out and so increase enthusiasm and productivity.

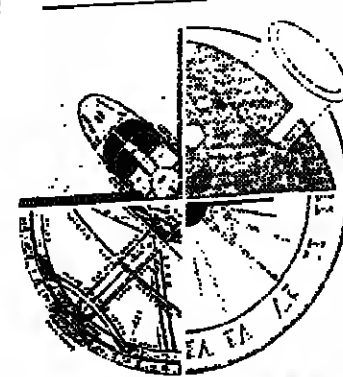
"People come to us and say, essentially: 'Why can't our developers behave a bit more like your developers?'" says Baxter. He believes that because most R&D work is project-based, that should form the basis of the promotion structure.

"It makes sense to organise people so that their interests and loyalties are centred around their project, not their boss. If an employee thinks that licking up to his boss will get him a pay rise, that is what he'll do."

CCL has implemented its own project-centred structure which means that when an employee's work is assessed, it is done so by his or her managers, peers and juniors, as well as by the project's customer. It is these responses which influence a person's career progression, says Baxter. "And they know it."

Baxter believes that altering structures can have positive effects. "One of the things I learnt in Singapore is that you can influence the culture by changing the structure."

## Worth Watching · Andrew Fisher



### Turning the wheels on the car thief

To combat the growing trend of car theft, a new French device renders a vehicle unable to be driven by disengaging the steering wheel from the steering column, writes Anna Kochan. Anyone breaking into the car and starting the engine finds the steering wheel turning without steering the wheels.

The device, produced by Malvy Technology, can be fitted during assembly or later at a cost of £14,900 (£560). It consists of a sealed box containing a series of mechanical locks which fit between the steering column and the wheel. The key provides more than 100m combinations.

Malvy's system will become available in January. Insurance companies have indicated they will lower premiums on cars equipped with the product. Malvy Technology: France, 331 60192000.

### Lock up your hardware

Thieves just cannot keep their hands off computers, with ready export markets in eastern Europe and the Middle East. Now, a British company called Circle Security has developed an anti-theft device for computers, whether in offices or showrooms, called Minder.

It locks the computer to the desk-top with screws extending through the work surface to a special plate; further protection is provided by extra-strong adhesive. Thus the computer can only be stolen with the desk. The metal device, costing £39.50, has a seven-lever, anti-pick safe lock. Circle Security: UK, 0442 230925.

### Bumpy ride for speeding drivers

Speed bumps, or sleeping policemen, can cause a nasty jolt

to anyone driving too fast. That is their purpose, but even those going at the correct speed can sometimes receive an uncomfortable shock.

Inventions, a UK company, has developed a new system in which the car's speed is evaluated by a mechanical trigger mechanism, with the ramp only snapping up if the vehicle is going too fast. If the speed limit is adhered to, the ramps stay flat.

Britain's Department of Transport is now looking at the system, designed to meet the objections of those operating emergency vehicles - such as ambulances - to conventional speed bumps.

Inventions: UK, 0296 728138.

### Help yourself to after-hours banking

Customers can serve themselves from dawn until the late hours at new service terminals installed by Siemens Nixdorf for Nationwide Building Society's new Touchlink branch in Aylesbury, Buckinghamshire.

The eight terminals designed by the German computer company will allow people to draw out and deposit cash and cheques, check the state of their accounts and pay bills from 6am until 11pm seven days a week.

Customers need a card or a passbook to use the customer service terminals. A special terminal can be used by customers in wheelchairs.

The terminals are personal computer-based and can be easily linked to existing networks. Banks and building societies can build up their own functions for the system. Nationwide: UK, 0793 455199. Siemens Nixdorf: UK, 0344 862222.

### Rapid reading in the French Post Office

At a rate of 35,000 letters an hour, a French optical system can recognise 96 per cent of properly typed addresses. CGA, part of Cegedel (a member of the Alcatel Alsthom group) has spent nine years developing this character recognition system.

The system, of which the French Post Office has 40 and has ordered 40 more, uses transmitters developed by UK-based Lumos (part of France's SGS-Thomson) and neural networks or pattern recognition computer systems.

CGA: France, 331 69885870.

## PEOPLE

### Sotheby's: Lord Gowrie departs, Lord Camoys arrives

After months of speculation about his future, Lord Gowrie, chairman of Sotheby's Europe, is to give up his post on January 1, but will remain on the board of Sotheby's Holdings and will continue to seek new business.

Lord Gowrie has been chairman for seven years during which time the power base in the American-owned company has moved remorselessly from London to New York. A former cabinet minister and minister for the arts, Lord Gowrie leaves at a time when some important appointments in the arts and heritage world are about to be made, most notably chairman of the Arts Council

and chief executive of the Millennium Fund.

He is replaced by two men. Simon de Pury moves up from deputy chairman to chairman of Sotheby's Europe while Henry Wyndham, 40, comes in as chairman of Sotheby's UK. His is a surprise appointment. He spent most of his working life at arch rival Christie's where he was a paintings specialist, but since 1987 has been a partner in the Mayfair picture dealers, the St James's Group.

Lord Gowrie was instrumental in appointing Wyndham, and another newcomer to Sotheby's, Lord Camoys (right), who arrives to take up

the newly created post of deputy chairman of Sotheby's Holdings. For 32 years Lord Camoys, 53, has been a banker. He joins Sotheby's on April 1 next year from Barclays de Zoete Wedd; he is to leave the Barclays group and Barclays Bank boards and his executive role at BZW, but will remain non-executive deputy chairman of BZW.

In a final move, Roger Faxon, who came over from the US as managing director to mastermind a cost-cutting reorganisation at Sotheby's Europe, returns to New York. He will be replaced by George Bailey, who was responsible for business development.



Announcing the changes yesterday Diana Brooks, president and chief executive officer of Sotheby's, said that Europe, and especially the UK, was helping to lead the company out of the recession in the art market. In the first nine months of the year Sotheby's turnover in the UK was up by 34 per cent.

### Skipper to leave Booker

Barry Skipper, chief executive of Booker's food distribution division and a member of the main board since 1982, is leaving the food distribution and agribusiness group at the end of the year.

Skipper, who joined the group 11 years ago, had been a rising management star until fairly recently and was viewed as a candidate for the chief executive's job which Jonathan Taylor vacated for the chairman's suite in June.

In the event Charles Bowen, a former Hillsdown director, was appointed chief executive.

Skipper's ambitions suffered a serious setback in March when Booker announced its first fall in profits since 1980 which it mainly blamed on problems at Booker Fitch, the catering food service business,

part of Skipper's empire.

Announcing the move yesterday Taylor said Skipper had made "an enormous contribution" to the development of the group's food wholesaling and distribution operations.

However, he said that with the food distribution business accounting for such a large proportion of the group's sales and profits, "it is now appropriate that it reports direct to Charles Bowen, the new chief executive, who has wide experience of the food industry."

Yesterday Skipper declined to discuss the terms of Skipper's departure. However, it confirmed that "there is obviously a settlement, but we would not wish to give details", while Skipper said: "I now look forward to whatever challenges are ahead for me."

He is the second senior executive to leave recently. Booker's finance director David Turner, who was also considered a possible candidate for the chief executive's job, last month joined GRN.

Sydney Howlett has retired from CHEMURUNG GROUP because of ill health, but will remain a consultant.

Brian Dudley, MD for the UK operations of WACE GROUP, has resigned; Trevor Grice, chief executive, will have responsibility for Wace UK and Wace Europe which are being combined.

Simon McKie has resigned from RATHBONE BROTHERS to return to private practice. Brian Hardy has resigned as marketing director of CML MICROSYSTEMS.



The appointment of James Hogarth as head of the capital markets group at Yamaichi International (Europe), the London-based European arm of the Japanese securities house, is further evidence that Japanese financial institutions are committed to their policy of appointing more non-Japanese employees to senior management positions.

More than half of the upper echelons at Yamaichi is now non-Japanese. The same ratio is also evident at Nomura International, the leading Japanese securities house and one of the first to adopt this policy of "localisation".

Hogarth, who joined Yamaichi as a graduate, has worked in the corporate finance department for over seven years and at the ripe old age of 29, is one of Yamaichi's youngest executive directors. He takes over from Masashi Fujimoto who recently returned to Tokyo to become head of the European section of Yamaichi Securities' international finance department.

### RTZ's Australian swap shop

The question of whether RTZ Corporation, the UK-based biggest mining company in the world, controls CRA, one of Australia's leading natural resources groups in which it has a 49 per cent stake, is a touchy subject, particularly in Australia. Nevertheless, there is an increasing movement of senior executives between the two.

The latest involves Leigh Clifford who will join RTZ on secondment from CRA as an executive director in May next year. At CRA, Clifford, a 46-

year-old mining engineer, is responsible for the group's investments in energy, including the coal operations and the most recent acquisition, Coal and Allied.

RTZ has so far this year spent a net \$480m on buying coal assets in the US and says it has ambitions to acquire more; with Clifford on the board it is likely that this strategy would be vigorously pursued.

Clifford is a graduate of Melbourne University and has been with CRA since 1970.

Until his 1988 appointment as a group executive, he worked principally in the lead/zinc operations.

His arrival at RTZ coincides with the return of CRA of Leon Davis who has been on secondment to the UK company's board. His main task was to reorganise the combined worldwide exploration activities after RTZ bought most of British Petroleum's mining and metals assets for \$3.7bn in 1989. Davis returns next May as CRA's managing director and chief executive designate.

ARTS GUIDE



# Figures in a surreal landscape



The Henry Moore touch: one of the photographs in Bill Brandt's Perspectives of Nudes series

LOOKING at the hundreds of photographs by Bill Brandt, assembled in the splendid retrospective at the Barbican, I did not see what I expected to see. The more I looked, the more mysterious those familiar images became, until I felt myself looking, not at a cherished record of recent history, but at a stranger, darker world.

Image after image purported to illustrate the everyday lives of all manner of folk, plucking surviving in air raid shelters or enjoying the sunshine in the park, but instead of convincing in their verisimilitude, they began to seem more and more like exercises in fantasy, the recreation of dreams.

How could this be? How could Miss Hibbert, the Lyons Corner house "nippy" whose day was one of a series recorded in 1939, or Alice, the stalwart barmaid of the "Crooked Billet" (a strange and menacing name) at Tower Bridge, be anything other than real, brought reassuringly to life in the Picture Post?

Then I began to realise: the people are the problem. Only very rarely do their actions, their mundane lives, mesh with the grandeur of these dark compositions to make

modern art, was at heart a surrealist, drawn not so much to the people his jobs required him to record but to the silent world of objects, from whose random conjunctions he could hope for revelation.

His first photographs to be published, in the Surrealist journal *Miro* in 1935, were of a group of ship's figuresheads, and this interest continued throughout his career, with his wartime work recording endangered buildings and afterwards in series such as "Old corners of Museums" for *Lilliput*, 1944.

Brandt, born in Hamburg in 1904, came to England, his adopted home, in 1931. It had been a fantasy land for him in childhood, a place imagined from the colourful images of his beloved Beggarstaff brothers. And it is as a recorder of British life that he is celebrated. But he created as much as he observed, carefully staging scenes - stern Bobbies beneath streetlamps, boys peeping into a pub interior - to make a London as romanticised as that of Dickens. Only the glorious landscapes, of the Breton country, Stonehenge, or a journey to Skye, can stand alone, their wild beauty matching any dream.

Brandt's nudes trace the

development of his work most clearly. "The section" published in *Lilliput* in 1949, includes that favourite surrealist device, the open door, while a 1945 example shown bare-breasted at the dining table, embodies that other favourite surrealist theme, sexuality at the heart of bourgeois respectability. Their development into near abstract studies, published in "Perspective of Nudes" in 1961, by emphasising composition so determinedly, allowed him finally to transform flesh into form, taking it into the realm of abstract contemplation which was his true home.

■ ■ ■

The early work of one of Brandt's contemporaries at *Lilliput* and the first it celebrated purely as a photographer, Erwin Blumenfeld, may be seen in an intriguing show at the Photographers' Gallery, celebrating his friendship with the artist Paul Citroen.

While both worked as photographers, Citroen, who made an intriguing series of portraits of the artists and intellectuals who had gathered in Amsterdam by 1935, became chiefly celebrated for a series of collages begun in Amsterdam and

## Theatre / Alastair Macaulay

### Pinter plays the memory game

Part of what makes Harold Pinter's plays so striking, and so strange, is the large degree to which they are poetic. His economy, his ambiguities, his fragmentations all, it seems to me, come from a poetic impulse. And the meanings that his plays so mysteriously lodge in your mind operate upon you like meanings in poetry - modernist poetry in particular. The prose his characters speak, though never fancy, feels much closer to truth than most of the verse drama written this century.

In *Old Times* (1971), three characters begin by recollecting the past that first brought them together. But Kate and Deely (who may or may not be married) and Anna (who once lived with Kate) never all shared the same past. They are three sides who only now become aware that they form a triangle. Deely and Anna use memories as if competing for Kate, staking rival claims in her past; whereas Kate, more gradually, comes to recall the past by way of declaring her independence from them. Sometimes the "present" time seems to jump forward an hour or so, or 20 years back. Simple words, like "gaze" and "float", keep gathering in force. Old songs, too.

Meanwhile the meanings of the play multiply and multiply. Not only are Deely and Anna competing for Kate, but Anna is the past, competing against Deely the present. Female bonding competes with male bonding. There is also a sense not only that Anna will always know Deely, but also that Deely's most sincere original feeling was for a man he never knew - his now absurd obsession/identification with the actor Robert Newton.

A wonderful play: funny, poignant, troubling. This Birmingham Rep revival shows that its meanings have also increased in the light of Pinter's later work. Bill Alexander does marvels in making the play's intimacies project into the lengths and depths of this tricky theatre. Ruari Murchison's large, sparse, circular set solves the problems of scale with elegance and amplitude.

As in so many roles, Tim Pigott-Smith comes across as a naturally insensitive type, out of his depth, with an interestingly loutish potential for helplessness. As usual, he slightly overdoes every inflection, while nonetheless getting the general plan of the character vividly right. Carol Royle's Kate however, is too preoccupied with her own lovely exterior, while too drab in utterance. As Anna, Estelle Kohler is beautifully alert to every nuance in the script. Even the more actressy features of her style all serve to reveal the play.

Kohler also sings very well. Deely and Anna quote several old songs; Alexander is surely wrong here in omitting the specified chunks of "Smokes telling of your eyes" - the most telling of them all ("Something deep inside/ Cannot be denied"). But the way they sing the last stanza of "They Can't Take That Away from Me" - just as Pinter directs - is superb. They are still in competition, and yet Kate the object of their competition, eludes them. When Pigott-Smith hurriedly half-speaks "No, no, they can't take that away from me", his words have new intimacies of feeble despair.

*Old Times* is at Birmingham Rep until Nov 20. 021-236-4453

## Theatre / Malcolm Rutherford

### Love's labour in Navarre on the Fens

Who would have thought that *Love's Labour's Lost* would be the RSC's favourite play in the 1990s? Here is the company's second new production of Shakespeare's early comedy within the last three years and there are still new ways of doing it.

Ian Judge's direction switches the location from the park of the King of Navarre to a Cambridge College somewhere around the 1920s. This is the best opening interpretation of the play I have seen. For what else is the King of Navarre doing but acting like a precocious undergraduate of an Oxbridge college before the admission of women? He demands from his fellow students three years of study and a ban on girls.

For a while, the interpretation works wonders. The golden young men, otherwise the lords of the King of Navarre, stroll about in boating clothes, happy enough in the boathouse with its display of oars and familiar photographs of college eights. Anthony Dull, the constable, enters on a bicycle like a policeman in an old Ealing comedy. Costard, whom he brings with him under a samurai, behaves throughout like an old-fashioned college servant, utterly loyal to the place, but slightly lost when it comes to four-syllable words.

The problem with trying to impose a single idea, however brilliant, on a Shakespeare play is how to sustain it all the way through. Judge just about pulls it off. He does so by changing some of the stranger characters in the piece into college dons. That goes for Armado, the "fantastical Spaniard" in the original, his page Moth, the curate Sir Nathaniel and the pedant and schoolmaster, Holoternes. They represent the over-academic side of the college, swapping latinisms while watching cricket flags, it is not entirely the fault of the RSC. *Love's Labour's Lost* does have the odd, obscure language for a modern audience. The answer is probably to apply the scissors.

Yet the mainstream is full of delights. The college quad in moonlight is a marvelous site for the select band of students in the try to watch each other composing sonnets to the ladies. They are pledged to eschew. Jeremy Northam as Berowne has the best part, but do not overlook the rest. This is a team performance by the men, like rowing in a four.

Then Shakespeare and the women take over. It no longer matters where the setting is, for parts of the play, especially the elegant ending, are powerful and some, like the performance of the Nine Worthies, are both touching and funny. Never forget the final words of Holoternes as he is pushed off the stage: "this is not gentle, not gentle, not humble".

The female playing is magnificent, almost a superior intelligence throughout. It is the reverse of Lysistrata. Here the men vow to be celibate. The ladies of the French court know they will never stick to it, but tease them throughout and finally tell them to hold off for another year.

One special tribute should go

to Lord Greenwood as Boyet, the lord who accompanies the French ladies. Greenwood performs as if he is above the whole lot of them: not a smug, not an academic, not an idealist, but just genially detached. There should be a special medal for those who develop the smaller parts in



A higher intelligence: Abigail McKern in *Love's Labour's Lost*

to Paul Greenwood as Boyet, the lord who accompanies the French ladies. Greenwood performs as if he is above the whole lot of them: not a smug, not an academic, not an idealist, but just genially detached. There should be a special medal for those who develop the smaller parts in

Shakespeare. The sets are designed by John Gurner, the lighting by Alan Burnett. They are absolutely right for Navarre on the Fens.

*Love's Labour's Lost* is in repertory at Stratford until January. Telephone: 0783-295628

## Obituary

### Biographer and historian

The writer Sir Peter Quennell died on Wednesday at the age of 88.

The news will be heard with sadness by all who value purity and elegance of expression in literature. Quennell was one of those for whom an ugly sentence could cause more pain than an aching tooth.

He was a regular contributor to the *Financial Times* weekly books page over many decades. An eminent biographer himself, he was a natural choice to review the lives of those famous or obscure authors who inhabit the highways and byways of 18th and 19th century literature. His own extended pen-portraits of Byron, Boswell, Rabelais, Hogarth, Ruskin and others may still be read with enjoyment.

But Quennell's link with the *FT* was stronger than that of an occasional contributor. He was for many years joint-editor of the journal *History Today* when it was part of the *FT*'s stable of periodical publications, and he worked from an office within the *FT* in Bracken House.

Quennell and his colleague, Alan Hodge, his co-editor, used to make a striking contrast when they appeared together in the lift, the former tall and matinee-idol-like in appearance, the latter with the anxious countenance and concentration of a scholar. They remained firm friends, however, and through Hodge, who had served Brendan Bracken and Churchill, kept alive the spirit of an illustrious past.

The then chairman of the *FT*, Lord Droghda, was in

the habit of sending queries down about recondite literary topics to "Peter Q" (as he always called him) and receiving an instant response.

Born in 1905, Quennell was the son of C H B Quennell, the architect, and Marjorie Quennell, a book-illustrator. The pair published jointly a number of reference books of which *A History of Everyday Things* is the best known. They sent Quennell to Berkhamsted Grammar School where he was a contemporary of Graham Greene but, far from scarring him for life, it seems to have equipped him with most of the resources required, not merely for success in literature, but also socially.

In his youth no fashionable gathering was complete without Quennell's handsome witty presence. He crops up with alarming frequency in the smart memoirs of the period.

Quennell showed distinct promise as a poet in his youth, but then found his true métier in biography and literary journalism. He reviewed for a variety of journals with a long spell as chief book critic of the *Daily Mail* and he was editor of *The Cornhill Magazine* in the 1940s.

Quennell had five wives and two children, a daughter Sarah and a son Alexander, both of whom survive him. He was knighted in 1982.

Quennell was a delightful companion with an unexpected gift for mimicry, and he will be much missed by his many friends, both for his conviviality and for his lightly worn erudition.

Anthony Curtis

## INTERNATIONAL ARTS GUIDE

### OPERA GOES ON

As a result of a musicians' strike earlier this month at the Kennedy Center, the Washington Opera has put back by a week the start of its 1993-94 season, which will open on November 13 with Donizetti's *Anna Bolena* starring Nelly Miricioiu. The rest of the season has a strong Italian bias: another Donizetti, *La fille du regiment* (sung in English), is the company's Christmas production, and the schedule in February and March is dominated by Un ballo in maschera and Madame Butterfly.

The musicians' strike - now resolved with the signing of a five-year contract - has forced the cancellation of a new production of Eugen O'Neil's rarely-staged *Washington*, which was to have marked the debut next month of the Washington Opera's new music director, Heinz Fricke. But Fricke's experience in his native German repertoire will be much to the fore in *Artiste auf Naxos*, which receives 12

performances starting on January 9, in a production borrowed from the Canadian Opera Company. The highlight of the season will be the world premiere on January 15 of Dominick Argento's new opera *The Dream of Valentino*, which tells of the life and loves of the legendary 1920s silent screen star Rudolph Valentino. The production will be conducted by Christopher Keene and staged by Swedish producer Ann-Margret Pettersson, with decor by John Condon and costumes by Italian fashion designer Valentino. The American tenor Robert Brubaker will sing the title role (202-416 7800).

### EXHIBITIONS GUIDE

**BALTIMORE**  
Museum of Art William Paley Collection: 70 works by Cezanne, Matisse, Picasso and others. Ends Jan 9. Daily.  
**BARCELONA**  
Museu Picasso Picasso and the Bulls. Ends Jan 9. Closed Mon (Carrer Montcada 15-19).  
**FARFAR**  
Fardes de la Caixa Turner: drawings and watercolours from the Tate Gallery. Ends Nov 7. Closed Mon (Centre Cultural, Passeig de Sant Joan).  
**BERLIN**  
Martin-Gropius-Bau Japan and the East 1543-1929. Ends Dec 12. Closed Mon.  
Museum für Ostasiatische Kunst Early Chinese Bronzes from the Klingenberg Collection: ritual vessels, implements and weapons from the Shang and Zhou

dynasties. Ends January 9. Closed Mon.  
Museum für Islamische Kunst Dragon, Phoenix, Double Eagle: an exhibition devoted to the depiction of imaginary animals in Islamic art. Ends Jan 31. Closed Mon and Tues.  
**BOLONGNA**  
Ludovico Carracci (1555-1619): an attempt to improve the image of the less gifted member of an extraordinary family. Ludovico remained in Bologna, while his better-known cousins, Annibale and Agostino, were head-hunted by Cardinal Farnese to decorate his Roman palace. Ends December 12.  
**LONDON**  
Royal Academy of Arts Great Master Drawings from the Getty Museum: 120 works of the Italian, French, Dutch, Spanish and German schools, including Goya, Tiepolo, Leonardo, Raphael and Dürer. The Getty collection of master drawings at Malibu was started in 1981, and in just over 10 years has grown to be one of the most exceptional collections of its kind. Ends January 23.  
American Art in the 20th Century: the period from 1913 to 1970 is covered at the Royal Academy, and from 1970 to the present day at the Saatchi Gallery. Ends December 12. Daily.  
Yale Gallery Ben Nicholson: centenary retrospective of the British abstract painter. Ends Jan 9. Daily.  
Whitechapel Art Gallery Lucian Freud. Ends Nov 21. Closed Mon.  
Marlborough Fine Art Francis Bacon: small portrait studies. Ends

Dec 3.  
Accademia Italiana The Age of Lorenzo de' Medici 1449-92. Ends Jan 23. Daily.  
Hayward Gallery Alphonse Mucha: retrospective of the Czech Art Nouveau artist renowned for his fin-de-siècle posters in Paris. Ends Dec 12. Daily.  
Portrait Gallery Thomas Eakins: 44 paintings and five drawings by the 19th century American portraitist. Ends Jan 23. Daily.  
British Museum Drawings from Chatsworth. Ends Jan 9. Daily.  
National Gallery The Wilton Diptych. Ends Dec 12. Ken Kiff: a sampling of work by the Gallery's second associate artist. Ends Jan 9. Daily.  
**LYON**  
Musée des Beaux-Arts Design in Lyon from the 17th to 19th centuries: to inaugurate its new exhibition space, the Graphic Design Department has grouped 80 drawings and engravings by artists from Lyon. Ends Jan 16. Closed Mon and Tues.  
**MADRID**  
Centro de Arte Reina Sofia Vienna 1900. Ends Jan 10. Closed Tues.  
**NEW YORK**  
Museum of Modern Art Joan Miro: centenary exhibition of the Catalan master, comprising 400 paintings, drawings, sculptures, ceramics, prints and illustrated books. Ends Jan 11. Robert Rauschenberg: 80 works. Ends Jan 4. Closed Wed.  
Metropolitan Museum of Art The Annenbergs Collection of Impressionist and post-Impressionist works. Ends mid-Dec. Master Drawings of the Hudson River School: 50 works

on paper by America's earliest school of landscape painting. Ends Dec 26. Closed Mon.  
Guggenheim Museum Roy Lichtenstein: 120 major paintings and 23 sculptures. Ends Jan 16. The main museum is closed on Thurs, the SoHo site on Tues.  
Whitney Museum of American Art Andy Warhol's *Self-Portraits*. Ends Jan 9. Closed Mon.  
**PARIS**  
Musée d'Orsay From Cézanne to Matisse: Masterworks from the Barnes Foundation. Ends Jan 2. Closed Mon, late opening Thurs (reservations: 4410 7300 or at Fnac shops).  
Grand Palais Les Nabis. Ends Jan 3. Closed Tues, late opening Wed.  
Petit Palais Masterworks from Leipzig. Ends Dec 5. Closed Mon.  
Musée d'Art Moderne de la Ville de Paris Gerhard Richter: 100 paintings by one of Germany's leading contemporary artists. Ends Nov 21. Closed Mon, late opening Wed.  
Musée de l'Orangerie Art in Paris at Paul Guisard's: an exhibition recalling the influential 1920s dealer who specialised in African art. Ends Jan 3. Closed Tues.  
**PRAGUE**  
Convent of St Agnes of Bohemia Neoplatonist Painting 1831-1856: 40 works from an important period in Neoplatonist art, together with other exhibits pointing up the cultural and historical connections with Bohemian art of the period. Ends Jan 30. Closed Mon (U Mladých 17, Staré Mesto).  
Prague Castle Riding School Jean Dubuffet: 75 paintings and sculptures. Ends Nov 28. Closed Mon.

Convent of St George 16th and 17th Netherlandish Drawings. Ends January 1. Closed Mondays (Prague Castle).  
**RIMINI**  
Museo Civico Guido Cagnacci: 50 splendid works by the painter of the most sensual female nudes of the entire baroque era. Ends Nov 28.  
**ROME**  
Palazzo Ruspoli Mino Maccari (1898-1989): an entertaining retrospective of one of the more remarkable and eccentric Italian artists. Fiercely anti-Fascist, Maccari was good at pricking Mussolini's pomposity with a Lear-like vein of loopy humour, both in verse and prose, and in a series of viciously satirical sketches. Recurring themes in his oils are the Tuscan hills of his youth, his children and his two cinematic idols - Mae West and Erich von Stroheim. Ends Nov 28. Daily.  
Palazzo Venezia Corrado Giacomini: the late baroque artist, who provided enormous altarpieces for numerous Roman churches and was feted in European courts during his lifetime, has ever since been unfairly neglected. This fine show, with works from European and American collections, attempts to set the record straight. Ends November 14. Closed Monday.  
Villa Medici Jean-François Velly: 140 paintings and engravings, mainly from Italian private collections, by a one-time student of the French Academy and winner of the 1966 Grand Prix de Rome. His work reflects his passionate interest in late 15th and early 16th century

German art, particularly Dürer and Cranach. Ends Nov 28.  
**ROTTERDAM**  
Museum Boymans-van Beuningen Richard Prince (b1949): more than 100 photos, objects, drawings and paintings created by the New York-based artist since 1977. Ends Nov 28. Wim Cruzel's farewell exhibition: the museum's departing director has chosen design around the year of his birth, 1928, as the theme for a show including Dutch functionalist architecture, chairs by Le Corbusier, typography and transport design. Ends Jan 9. Closed Mon.  
**WASHINGTON**  
Hirshhorn Museum William de Kooning: 50 works by the key abstract expressionist painter spanning the years 1939 to 1985. Included are examples from all three series of his Woman paintings. Ends January 9. Daily.  
National Gallery of Art John James Audubon: 90 watercolours by the early 19th century American naturalist-artist. Ends Jan 2. Closed Tues.  
Caesars Venus: Giambologna's marble masterpiece is the centrepiece of an exhibition focusing on the female nude. Ends Jan 17. Daily.  
Walters Art Gallery Sacred Art of Ethiopia. Ends Jan 9. Artists of Ecupe. Ends Feb 6. Closed Mon.  
National Museum of American Art Paintings from the American South-West: 22 paintings by 17 artists who travelled to New Mexico between 1900 and 1940, and were captivated by the dramatic landscape and native culture. Ends March 20. Daily.



Globox, the international electronic network for dealing in the world's fast-growing "futures" market, may offer a foretaste of the shape of financial trading in years to come. But at the moment its own future is far from certain.

The volume of trade on the system, developed by Reuters, the London-based news and information group, in conjunction with the Chicago Mercantile Exchange and Chicago Board of Trade, the world's two largest futures exchanges, is well below target. Apart from the Matif, the French futures market, it has failed to attract members elsewhere.

Part of the problem is the rivalry between futures exchanges, which are reluctant to join a system run by their competitors. But there is also a more fundamental question: whether the market for futures - instruments which commit the holder to buy or sell commodities, shares and bonds at a later date - will ever be sufficiently global to make the system profitable.

Doubts over the system have this week prompted discussions between Reuters and the CME over possible changes. A renegotiation of the agreement between all three partners is due in April.

Reuters has most at stake. It contributed \$75m (£49.6m) towards Globox's \$90m development cost. Though the idea was conceived in 1987, stock market analysts forecast that Globox will not make a contribution to Reuters' revenues until 1995.

Mr Brian Newman, of stockbrokers Henderson Crosswhite, says the project is "intellectually important, but not vital for short-term profits". Globox's failure, however, could weaken Reuters' efforts to dominate the market for financial trading systems: without Globox, it would have to rely on its currency and equity dealing systems.

to April, Reuters has the option to pull out because its partners have failed to reach the pre-agreed target of 50,000 of their contracts traded every day on the system. (The current volume is only about 5,000 a day.)

Its commitment to its partners has been severely tested. Mr Pat Arbor, the CBOT chairman, did not help relations by describing, during a Globox marketing trip to the Far East, his exchange's own after-hours electronic dealing system, Project A, as "less expensive to introduce and easier to use". But withdrawal in April seems

## Darkest hour before dawn

Tracy Corrigan on the travails of Reuters' futures trading system



unlikely because Reuters is keen to recoup its investment. Reuters is believed, however, to be looking for a radical restructuring with the aim of diminishing the role of the CBOT and CME so that other exchanges are encouraged to join. In particular, it needs to win the backing of large players such as the London International Financial Futures and Options Exchange.

Yet such changes will only ensure Globox's success if the initial concept of a global network for trading futures proves viable.

Globox was conceived to allow round-the-world trading of futures and options, 24 hours a day. Its backers got one thing right: futures markets have become an increasingly important part of world financial markets. Because futures offer a cheaper and quicker means of dealing, they frequently drive price changes in stock and bond markets. The value of financial products and commodities traded via futures contracts on the world's exchanges has reached an estimated \$140,000bn a year. Most of this business takes

place in trading pits during local working hours by men and women in brightly coloured jackets signalling prices to each other across the floor.

Before Globox, futures trading stopped when markets closed. That meant, for example, that if the US president suffered a heart attack outside hours, traders in Japan or London were unable to react by buying or selling US Treasury long bond futures during their own trading day. In the late 1980s, when the trend across all financial markets was towards increased internationalisation, Globox seemed a logical development. Now the atmosphere is more sober, even among its backers.

In spite of the rapid growth of cross-border trading and investment, few financial markets are truly global. Only currencies are traded actively 24 hours a day. Other markets, even the extremely liquid US Treasury market, trade mainly during the working hours of their own country.

This means that it may be difficult for Globox to attract heavy volume, except in exceptional circumstances. For

example, when President Boris Yeltsin dissolved the Russian parliament after France's Mafif had closed for the day, 61,000 contracts in French government bond futures were traded overnight on Globox.

The counter argument put by Globox's backers is that it has the advantage of being the only electronic trading system for futures. Moreover, regulatory hurdles in many countries have slowed the system's spread around the world, and until screens are in place on more traders' desks, its value will not be fully appreciated. "How can we be measured at this point when we only just got approval to put screens in the Pacific Rim? How do you sell hotdogs in Japan when you don't even have a hotdog stand there?" asks Mr Jack Sandner, CME chairman.

"We are making a long journey here and you don't do it in two years," he says. Mr Rosalyn Wilton, managing director of Reuters' transaction products, says: "The key to transaction products is gaining a critical mass; that takes time." Reuters says it is confident about Globox's future. But it is keen to improve the system's marketability.

That concern will be at the centre of Reuters' discussions with its partners in April - although it is possible a resolution could come earlier. The group has been reluctant so far about strategy but it admits change is probable. "We want to explore all the various avenues and opportunities," says Ms Wilton.

A possible scenario is an agreement that Reuters will have overall charge of running the system with all member exchanges - including the two founding partners in Chicago - having equal influence over the day-to-day operations. Mr Arbor of the CBOT hints that he would be prepared to go down that road, adding that after the agreement is renegotiated, Globox "will look more open, more like a utility. I think the present structure may be too restrictive."

Such an accord may require Reuters to take a stronger hand in dealing with the two Chicago exchanges, which have bickered over the handling of negotiations with other exchanges. If a deal can be struck, however, any additional members would bring new products and new users to Globox. It would be at least a first step towards allowing the system the opportunity to prove its worth as a trading tool that could survive into the 21st century.

## The lame duck in winter

Joe Rogaly



the past nine years from 153 seats, and an overall majority in parliament, to two.

It would be a delight so to humble Britain's Tories. They have governed us for the past 14 years. British voters should decide which two Conservatives to conserve, and defenestrate the rest. It merely requires some intelligent tactical voting. We can rule out Mr John Major. The prime minister would have to quit politics after such a disaster. Very well then, what about preserving Mr John Patten, the education secretary? Not quite. Mrs Virginia Bottomley, the health secretary? Not exactly. Mr Michael Howard, the home secretary? Please. This is serious. I need not list all the candidates for election. The choice of which ones to keep makes itself. The secretary for social security, Mr Peter Lilley, and the backbench rebel, Mrs Teresa Gorman, are the pair of Tories who most deserve to be condemned to wander, lost souls, in the purgatory of a Westminster in which all other MPs would be Labour, Liberal Democrat or Celtic nationalist.

"I am now the leader, Peter," the one will say, to the met with an echo from the other. The torture would be the more exquisite for the fact that the only congenial spirits the condemned could turn to would be one another.

This phantasmagoria should not be taken as an argument in favour of Labour, or a Lab-Lib coalition. We do not have the luxury of choosing a party with whose governance we would be satisfied. There is

none such. The Liberal Democrats are not serious contenders. The Conservatives, Mr Lilley prominent among them, have been musing about taking us back to the 1980s. Labour demonstrated at its recent conference that it is still incapable of reshaping itself. Its leader, Mr John Smith, has put the brakes on the modernisers around him. With Labour in charge, it would be back to the 1980s.

We adherents of the "none of the above" tendency must therefore remain analytical. I have long assumed that Labour is out for ever; that we are effectively in a one-party state, as the Japanese and the Italians used to be. This has

**We do not have the luxury of choosing a party with whose governance we would be satisfied. There is none such**

remained the usual position taken in this space, although there have been one or two wobbles, most regrettable during the weeks before the April 1992 election. All assumptions should be questioned from time to time. The "one-party state" theory is looking thin. The result of the Canadian election is one reason, but there are others. Japan's Liberal Democrats have been dismissed after 40 years in power. Italy is in revolt against political corruption, and fed up with its Christian Democrats. We will see what happens to New Zealand's election next week. Mr Major is looking for a surprise victory by Mr Jim Bolger, the incumbent Conservative prime minister.

While keeping his fingers crossed, he should reassess the conventional wisdom, which is that Labour is so unappealing that the southern English will never vote for it in sufficient numbers to give it a majority. If that is still true, the Conser-

vatives will win again in two or three years' time, following a return to relative prosperity. But what if it is not? The daunting answer is that the troglodytes in the Labour party would then have been proved right. Just wait for the Tories to rot on the vine, they say, and we're in. In short, it is no longer certain that "one more heaven". Mr Smith's cautious strategy of minimum disturbance, will fail. On this view it is at least possible that the next government will be Labour-led, Liberal Democrat-supported, and deeply, disappointingly, conservative.

The deciding factor may be the extent to which Mr Major can re-establish the government's authority over its backbenchers. The Conservatives are still recovering from the shock of Black Wednesday. The natural respect for the leader of the party, the instinctive closing of the ranks in times of trouble, the very will to govern were blown away when Britain was ejected from the exchange rate mechanism. The prime minister was humiliated, his stature diminished. Rehabilitation is turning out to be a longer, slower process than anyone could have foreseen.

Some progress has been made. The divisive bill to ratify the Maastricht treaty is now a statute, Europe, barring accidents at today's EC summit, may become politically manageable, at least in the short term. An economic recovery is under way, if fitfully. Mr Major's unashamed appeal to nostalgia got him through his big speech at the party conference. The mood is better now than it was in the spring. This

rosy picture is spoiled by unruliness on the backbenches. Backbench revolts have now become the norm. Disunity is the problem; all else is secondary.

The recent spate of headline "climdowns", "U-turns", "threats" and the like constitutes bad publicity of the kind that, if prolonged, could prove fatal. If the sense of drift that it suggests persists, we are in for one of the most drawn-out stretches of lame duck administration in British history. Yet each act of tacking and trimming is different.

For example Mr Howard's la carte approach to the Sheehy report on police pay and conditions suggests a certain weakness. The home secretary was selecting from a menu put up by the government's consultant. Management should know that the purpose of consultants is to provide intellectual support for ideas the client first thought of but could not impose. Mr Howard got the report, but could not implement all of it. Again, the government was obliged to accept a Lords amendment allowing British Rail to bid for franchises under the new arrangements for the railways. Some ground was recovered yesterday by tabling a new amendment, making it difficult for Byzantine Rail to bid.

The big test is the Budget, due on November 30. One interest group is trying to bounce Mr Major away from defence cuts; another from putting VAT on domestic fuel; a third towards further social security restraint. The prime minister must ensure that the Budget is decided by the chancellor and himself, and supported by the cabinet and party. If he cannot achieve that, talk of the decimation of the Tories at the next general election will no longer be such a laughing matter.

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

### No reason to hold up Bosnia airlift

From Professor Shirley Williams

Sir, Please let me commend you for your leader on Bosnia ("Bosnia still", October 22). As the world's attention moves away from Sarajevo and the other remaining remnants of the territory of the independent, internationally recognised nation of Bosnia-Herzegovina, so the Bosnian Serbs tighten the noose. They have proved brilliant at moving whenever the world loses interest. Yet, as you say, the United Nations Security Council has declared its willingness to protect these enclaves, to get humanitarian supplies through, pledges that today clearly embarrass the western powers.

It should be possible to airlift enough food and medical supplies to these enclaves. If Tuzla airport, still in government

hands, is reopened, large cargo aircraft could land there. It is inexplicable that this airport has not been used because of Bosnian Serb objections. It should be possible to protect cargo aircraft - indeed, it would give our Nato fighter aircraft, now pointlessly and expensively overflying Bosnian air space, something worth doing.

And it would show western resolve to stop the last flickering embers of a brave attempt to create a civilised multi-ethnic society from being extinguished for ever. Shirley Williams, public service professor of electoral politics, Harvard University, John F Kennedy School of Government, 79 John F Kennedy Street, Cambridge, Massachusetts 02138, US

### European Council must not reinterpret Maastricht

From Mr Bill Cash MP

Sir, Sir Leon Brittan's article, "Time to return for ECU harmony" (October 27), makes a powerful case - even if he may not realise it - for the renegotiation of Maastricht and for a return to Title II of the Single European Act which kept the words "Economic and Monetary Union" in brackets.

We do not need the European Council to commission (yet another) outline economic strategy. "One Money, One Market" was hopelessly wrong - why should anyone be taken in again?

We must not be. We live in hope that the government will

make this clear at today's EC summit.

Sir Leon and others at the summit should heed the implications of the recent German court ruling and not attempt to interpret and implement Maastricht as they please. It is not their right to do so. But even if they do try they will find that no amount of realignment, coordination and reinterpretation can paper over the fundamental inadequacies of Maastricht's economic and monetary provisions.

Bill Cash, The European Foundation, 61 Pall Mall, London SW1Y 5EZ

### A hard lesson in politics

From Professor Ira Sohn

Sir, Further to Observer's comment on the future of Kim Campbell, the outgoing prime minister of Canada ("Female pitch", October 26), Dwight Eisenhower reportedly was once asked why he resigned as president of Columbia University to run for and later serve as president of the US. He

replied that he left the university because he couldn't stand the politics!

Ira Sohn, professor of finance, Montclair State School of Business Administration, Department of Economics and Finance, Upper Montclair, New Jersey, 07043, US

### Confusion in fusing 'sides'

From Mr Joseph Rosen

Sir, You should be complimentary on another excellent survey on derivatives (October 20). There is, however, one point over which I must quibble. The article on technology, headed "Integration top of the agenda", inverts the proper meanings of "buy-side" and "sell-side" when it refers to "... a small but growing band of the corporations and investment institutions on the sell-side".

Perhaps this is not only an inadvertent oversight, but is

also another clear indication of how the distinction between "buy-side" and "sell-side" is rapidly becoming an anachronism, as the two "sides" of the securities and investments industry are fusing into one, and an increasingly competitive one at that.

Joseph Rosen, managing director, Enterprise Technology Corporation, 305 Madison Avenue, Suite 2145, New York, NY 10165, US

### Identity cards to be welcomed

From Mr Michael B Heath

Sir, You report, "Benefit fraud costs £5bn a year, say officials" (October 26), that the government is considering the introduction of identity cards for benefit claimants to reduce fraudulent claims.

Such a measure could have much wider advantages in industry, particularly if it is the first step to the introduction of a universal identity card.

As an industry with many thousands of employees and a turnover of more than £15bn, members of this association would welcome such an initiative.

Our member companies, which have to abide by a code of practice as a condition of membership, work under

increasing burdens to ensure the propriety of their employees. They have long been frustrated by the lack of adequate means of checking the credentials of potential employees, particularly in regard to the status of foreign nationals.

Any initiative which makes such checks easier and more effective, reducing administrative burdens while improving the accuracy of checks on potential employees, should be widely welcomed throughout industry.

Michael B Heath, director general, Clearing and Support Services Association, Suite 78/14, The Hop Exchange, 24 Southwark Street, London SE1 1TY

### No fat, cosy system protecting banking sector in the UK

From Mr Robin Monro-Davies

Sir, Robert Peston's article on the Bank of England's aid to UK banks was most interesting ("Silent launch of the lifeboat", October 19). However, I found his conclusion perplexing. He argues that, although system stability has been maintained, it came at a heavy cost, in terms of both the bail-outs he mentioned and of market inefficiencies caused by perpetuating the widespread belief that the Bank prefers to support banks rather than allow the market to sort the weak from the strong.

I doubt it is true that the moral hazard cost has been a high one, but it is virtually impossible to prove either way. However, the idea that we have a fat, cosy system where

the incompetent are protected is simply not true. In the past few years we have seen numerous banks closing, being forced out of the market, and in the case of BCCI, collapsing with enormous creditor losses. We have seen runs on deposits at building societies, financial institutions being forced to merge and volumes of loan losses at both big and small banks never before experienced. Apart from setting the tumble rolling through the City of London depositing (no pun intended) bankers at Treasury Gate, I cannot see what further could demonstrate a competitive system with at times systemic risk.

Even if it were true that the cost of moral hazard were high, I cannot see how setting

up a separate supervisory institution would solve the problem. It would be expensive and, because the new institution would find it difficult to attract personnel of the same quality as the current Bank of England intake, would result in a decline in the efficacy of supervision. Losing the dignity bestowed by the Old Lady, the supervisors would join the ranks of yet another industry "watchdog". (What about Ofel and Ofgas?)

I note that those who recommend such a change and cite other countries where a dual system exists rarely mention the Nordic countries. I do not claim there is a direct connection, but the staggering losses suffered by banks in Norway,

Sweden and Finland, and the huge sums the governments have had to provide to support these banks, do not a priori make a strong case for converting to such a system. Indeed, these countries now, in effect, have a triple system: they have had to create a third agency to monitor the doing out of the money. While splitting off the supervisory side would make the life of the governor easier, it has little merit, and commentators should concentrate on the issue of safeguarding the independence of the Bank of England, which is a much more serious matter.

Robin Monro-Davies, managing director, IBCA, Eldon House, 2 Eldon Street, London EC3M 7LS

New Issue  
October 29, 1993

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## Two cheers for Howard's way

IT WAS never going to be easy to reform police pay and conditions. Rooting out restrictive practices in the UK police service is essential to increase its efficiency and effectiveness. Yet these objectives will not be achieved if change unnecessarily antagonises those in the front line of the government's battle against crime. Nor will it command the support of the general public who have only recently been reminded of the murder in London of PC Dymally.

So Mr Michael Howard, the home secretary, has probably done as much as possible to preserve the thrust of the Sheehy report against the police - often ruthless - opposition of the police staff associations. Yesterday he announced his acceptance of several contentious elements in the package recommended by Sir Patrick Sheehy's inquiry. These include the elimination of three management levels and the simplification of the pay structure by abolishing most allowances. The new pay formula should stop police pay surging ahead as it has done over the past 15 years.

The home secretary has also endorsed the principle of performance-related pay for the police, though in a simpler form than that recommended by Sheehy. And while he has rightly rejected the controversial proposal for fixed-term contracts for all ranks, the new disciplinary procedures he announced last month will make it easier to get rid of poor performers. Chief constables will have much greater flexibility to

run their forces in line with local needs.

On the other hand, Mr Howard has rejected Sheehy's call for police starting pay to be cut. He says that he is anxious to attract older recruits, a worthwhile ambition. Yet this could be achieved without having to pay younger recruits salaries which the Sheehy inquiry found to be "well above the market".

The home secretary has also passed on to others much of the detailed discussion over the Sheehy recommendations. The police pension scheme is to be further reviewed, though the proposal that police officers should work for 40 years to get a full pension has been rejected. Over time for inspectors is to be abolished, but for other ranks this issue will be passed to the Police Negotiations Board, along with other detailed work. While this tripartite body should be consulted on such matters, it will find it hard to take unpopular decisions.

The early welcome for the government's decisions from the chief police officers is a good omen from the point of view of morale. Without the backing of senior management, such reforms are unlikely to achieve their ends. But there remains an uncomfortable suspicion that Mr Howard has been bounced into conceding more than is necessary by the skilled campaigning of the well-organised police staff associations. With the government lacking confidence in its ability to carry a parliamentary majority, it is perhaps the best that could have been achieved.

## America's choice

THE NEXT three weeks promise to be decisive for the future of global free trade. Will the world's trading powers be able to proceed down the home stretch towards an agreement in the Uruguay round of the General Agreement on Tariffs and Trade? Or will they have to brace themselves for an escalation of bilateral trade conflicts that could poison international relations and impair world economic growth? An initial answer may come on November 17, when the US House of Representatives votes on whether to ratify the North American Free Trade Agreement (Nafta) between the US, Canada and Mexico.

Technically, the Nafta vote is quite separate from the wider Uruguay round negotiations. In practice, the two are intimately connected. If President Bill Clinton fails to prevail over Nafta's opponents - an alliance of trade unionists, environmentalists and protectionists - he will be so weakened that he will have little chance of gaining approval for the concessions needed to secure a Gatt agreement. If he wins, he can choose to press ahead with concluding the Uruguay round by the deadline of mid-December, when his "fast-track" negotiating mandate expires.

The good news is that after months of hesitation Mr Clinton has finally come out fighting for Nafta, with a series of campaigning speeches for the agreement and an increasingly sophisticated lobbying effort aimed at congressional wavering. As a result it is

beginning to look as if the balance is tipping in his favour. Although Nafta could still be derailed by the election of a new Canadian government, which claims to be committed to renegotiating it, the US president's confident that Ottawa's treaty is directed more at its existing free-trade agreement with the US than at the new deal which will supersede it.

Of course, Mr Clinton's efforts to secure Nafta come at a price. Scepticism in Europe and elsewhere notes that the US has lately taken a harder line over the Gatt, withholding further tariff concessions, raising the stakes over financial services with east Asian countries and refusing to mollify the European Community over farm trade. They wonder whether Washington might, having secured Nafta, be tempted to return the multilateral negotiations in search of bilateral pacts with the Asian countries whose leaders Mr Clinton is to meet in Seattle on November 19.

They should withhold judgment, at least for a time. Mr Clinton's current negotiating posture may be more firm than substance. There is no reason why freer North American or Asian trade should do anything other than complement America's commitment to the Uruguay round, while serving the useful purpose of concentrating recalcitrant minds in the EC. It is in everyone's interest that a secure Nafta. Then, if he is wise, he will decide it is in America's interest to complete the new multilateral trading framework that the world so badly needs.

## Chunnel link

THE PLANNED high-speed rail link between London and the Channel tunnel could be a showpiece for the UK government's initiative of attracting private capital to public infrastructure projects. It provides an opportunity both to harness the private sector's skills in project management and to remove at least part of a £2.5bn-£3bn project from the public sector's balance sheet.

But to achieve these benefits, the Treasury will need to abandon its strict line that all the risk of such projects should be borne by private investors. Sticking to this line could delay or even kill off the project, as Union Railways, the British Rail subsidiary set up to develop the link, will tell ministers later today.

The essential point is that the private sector is not well suited to bear the political and regulatory risks associated with the early stages of large infrastructure projects. Before construction on the Chunnel link can proceed, planning consents must be won, public inquiries conducted, legislation passed and safety standards determined. At each stage, there is a danger that the project will be delayed and extra costs imposed.

This particular project does not start with a happy history as far as private companies are concerned. Several construction groups have already spent money making proposals, only to have them rejected largely for political reasons. There is also the overhang from the main Channel tunnel project, whose financial attrac-

tion has been reduced by a tightening of safety regulations and the delay in building road and rail links.

It is doubtful whether private funds could be attracted at this stage and, even if they could, a high risk premium would be required. Far better, therefore, for the public sector to put up the £2.5bn needed for the project's next phase, tidying it over until political and regulatory uncertainty is largely out of the way. After that, it should be easier to find a further £2.5bn-plus from private investors. The remaining risks - concerning construction costs, operating expenses and customer demand - are the type the private sector is best at managing.

Given the current budgetary pressures, it is reasonable to ask why the Chunnel link should have priority over other worthwhile projects that are now stalled. Part of the answer is that the link is already badly delayed. Construction is important not only to maximise the economic benefits of the Chunnel tunnel but also to ease congestion for commuter traffic in the south-east.

But the most compelling reason for printing the pump is that a success with Union Railways would give a boost to the government's private funding initiative. It could open the door for private capital to flow into roads, railways and prisons. That, more than almost anything else, would ease the pressure on government finances.

The special European summit in Brussels today is supposed to celebrate ratification of the Maastricht treaty, but it looks more a stage-set for the walking wounded.

The co-architects of the treaty are diminished figures: Chancellor Helmut Kohl grumbles that Germans are not sufficiently grateful for German reunification; President François Mitterrand is a virtual recluse; Mr Jacques Delors, Commission president, laments the passing of an age when Europe could think and act on a grand scale.

Not even this week's Franco-German initiatives to inject fresh momentum into European foreign policy could revive spirits. In Brussels, senior EC officials described the joint paper as little more than an exposition of the treaty, which paled beside past demarches.

Maastricht has claimed several casualties, but it has led to more realistic views about the pace of political and economic integration in Europe. After two Danish referendums, dozens of House of Commons votes, a water-tight "no" in France, and this month's qualified approval in the German constitutional court, EC leaders know there is nothing preordained about progress toward an "ever closer European Union".

If this mood is modest, so is today's agenda. EC leaders will avoid the twin minefields of the Gatt trade talks, and discussion about strengthening decision-making once the EC reaches the next round of enlargement negotiations. The summit will not bear new prescriptions for the ailing European Exchange Rate Mechanism; and "Big Bang" solutions to mass unemployment - such as President Mitterrand's plan for an Ecu 100bn loan to fund public works - are likely to be given short shrift.

Instead, EC leaders will talk about the economy, primarily the need to reform labour markets and improve Europe's declining competitiveness in relation to Asia and the US. But the decisions are expected, because nobody wants to provoke Mr Delors' own White Book on employment and growth, to be presented at the regular EC summit in December.

So what is the purpose of holding a meeting of 12 heads of government for a few hours in Brussels, under the chairmanship of the Belgian presidency of the EC just three days before Maastricht enters into force on Monday November 1?

The first order of business is horsetrading. At stake are the locations of nearly a dozen EC institutions. These include the European plant breeders' rights agency, the European environment agency, and the rest of the European Monetary Institute, forerunner of the European central bank, which will supervise a putative single European currency.

Brussels officials are convinced that the original decision to hold a summit was the result of German pressure to force a decision on the ERM. Mr Jean-Luc Dehaene, Belgium's prime minister, was

The special EC summit is forced to take a realistic view of the pace of integration, writes Lionel Barber

## High hurdles if you're not fit

unhappy about staging a special summit, not least because of the cost and the disruption to what has so far been a meticulously planned and executed EC presidency.

But last summer Mr Kohl was adamant. He was impatient with the delay in Maastricht ratification in the UK; and he was determined to bring home the ERM in the hope that it would counter German opposition to giving up the D-Mark and a fall in public approval for the Community.

The hardening of attitudes in Germany explains why the French appear willing to drop their opposition to locating the central bank in Frankfurt. "People will say it's a German Europe," says one official in Paris, "but if Emu can only be achieved with the price of Frankfurt, tant pis."

The promise of gaining an influence over German monetary policy through a future European central bank remains a driving force behind French policy on Europe. The price, however, is steep: a high interest rate policy to maintain the franc-D-Mark parity which is exacerbating the recession.

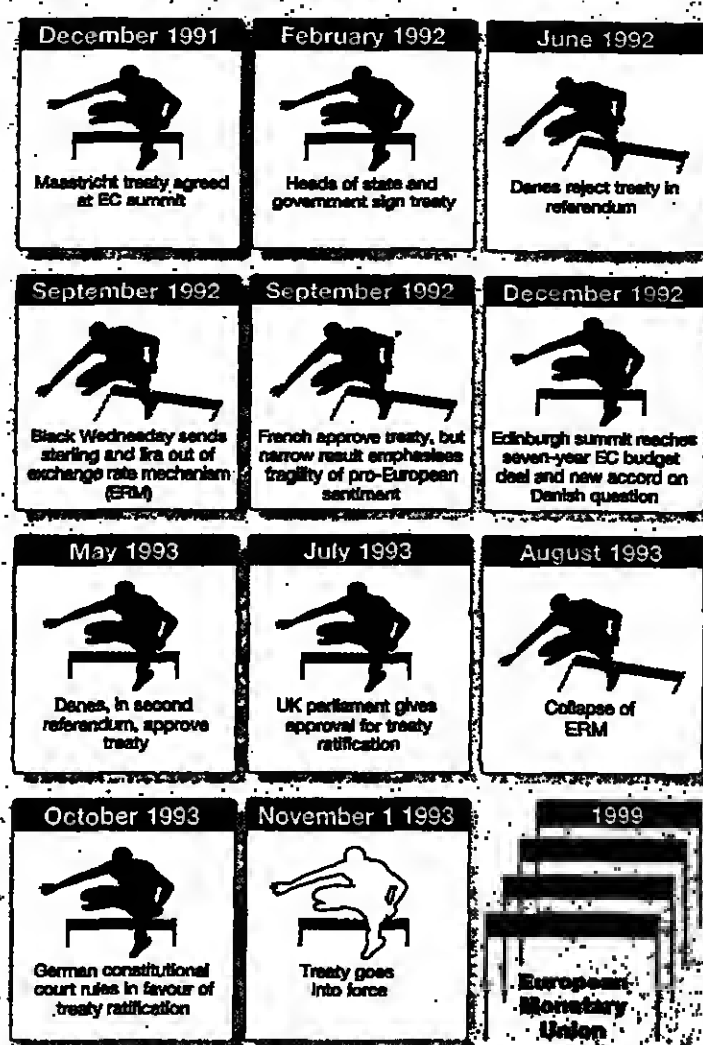
Some senior European Commission officials wonder privately how long the French can hang on; they believe the Balladur government should have ordered a reduction in interest rates immediately after the August 2 currency crisis which led to the de facto suspension of the ERM. But none of these officials is ready to call for an interest rate cut because they fear it would kill the last vestiges of credibility in the Emu process.

If there is a deal struck today on the location of the ERM, EC leaders will insist that Emu remains on track. But the test will be how member states choose to interpret the so-called Stage Two process - which provides for closer monetary and economic co-operation - due to begin on January 1 1994.

Under Article 106 of the treaty the European Council must draw up macroeconomic guidelines in December on the basis of qualified majority voting, in recognition that the national economies of the Twelve are "matters of common concern".

So far, EC finance ministers - led by France, Germany and the UK - have brushed aside suggestions that the Commission might put forward specific performance targets. Mr Delors himself remains dubious about Stage Two, unless member states are willing to "enrich" the process by giving more leeway to this EMI to co-

### The race to integration



### ordinate monetary policy.

The same question of political will applies to Maastricht's provisions for greater co-operation on a common security and foreign policy, also to be discussed today. EC leaders will identify possible "joint actions". This Brussels code-word means a little more than reactive diplomacy, but a lot less than sending combat troops to trouble-spots.

The UK's pet project is to send diplomatic observers to monitor the parliamentary elections in Russia in December, and possibly the multi-racial elections in South Africa next spring.

France is pushing the Balladur plan for central and eastern Europe; but one objection is that the proposed stability pact implied will

ingness to examine all border disputes is an invitation to ethnic rivalry. Another target is the Middle East, where the EC has drawn up plans to send Ecu 500m in aid to the occupied territories.

More complicated is former Yugoslavia, where the Community remains scarred by its failure to secure a peace settlement but also by the divisions caused by the successful German push for early EC recognition of Croatia and Slovenia.

Now provisions in Maastricht covering drugs, immigration and crime are more promising. In Germany, where Mr Kohl frets about Mafia-type gangs exploiting a frontier-free Europe, officials speak with genuine enthusiasm about closer intergovernmental co-operation.

Crackdowns on crime also sell well in the UK, even when sold under the Brussels brand-name.

What is striking is the consensus inside Brussels and among member states that it is time to call a truce in the quasi-religious war over Maastricht. "No more permanent revolution," says one EC official, "there's plenty of meat in the treaty and we have to make it work."

UK officials agree. They detect that the tide is running in favour of looser forms of co-operation between governments rather than centralised direction from Brussels.

Thus, the cliché image of Brussels bureaucrats churning out directives on standardised Euro-coffins and Euro-condoms is passe' now that the Single Market legislation is virtually complete. The Commission put out 182 directives in 1990 and 145 in 1991; barely 50 have been completed this year.

The Commission's role is evolving more as a regulator than as an initiator of EC laws. EC officials say it was always meant to be so. Maastricht was, after all, a good deal less ambitious than the Single European Act of 1987 which introduced a significant change in decision-making through qualified voting.

The slogan of the day is subsidiarity - powers to be devolved to the lowest appropriate level. It is a powerful tool, and EC officials worry that it could be extended to scrapping established directives, particularly social legislation such as the 48-hour working week. In recent months, Germany's preoccupation with national problems has made enthusiastic about subsidiarity.

In the short-term, however, the challenge for the EC is to stop the forces of fragmentation which have been in the ascendancy since the Danes rejected Maastricht in June 1992. The second, "yes" vote, did little to alleviate them.

Three tests beckon: the first is enlargement. The Community has set a target date of January 1 1995 for the entry of Finland, Norway, Sweden and Austria. Even if one or two applicants fail in referendums, it is a tough date to meet.

Second, the 1994 European Parliament elections will offer a real test of European public opinion about the EC. Two-thirds abstention rates will be a bad omen.

Third, and most important, is whether the EC can reach a Gatt agreement by the agreed deadline of December 15. One senior Brussels official warns that failure would "split the Community to the bone".

A senior German official agrees: "A Gatt agreement must be done with France. But without France, it will be the beginning of the end of the Franco-German alliance."

EC leaders believe there is no nothing to be gained by forcing the Gatt issue at today's summit. "It would risk splitting France and creating a public spectacle of disunity. Their goal is to postpone a showdown in the hope of persuading France to come back into the Community fold. It is a traditional, but high-risk, strategy.

## It will not go away

Major must satisfy two audiences, says Philip Stephens

diagnose his understandable satisfaction at the roadblocks placed on the road to European union by economic recession and disarray in the European exchange rate mechanism.

In Number 10 Downing Street yesterday, senior officials were speaking with open contempt at the notion that Britain's more federally minded partners should seek today to relativise the Maastricht timetable for economic and monetary union. The prime minister himself has dismissed the hope of a single currency by the end of the century as one having "all the quaintness of a rain dance and about the same potency".

He can claim that the debate in Europe has started to go Britain's way. Of the UK's priorities, enlargement is seen as inevitable, competitiveness treated as a serious issue, and the Gatt trade deal has the support of all member states bar France.

But the confident Euro-scepticism that has crept into Mr Major's rhetoric as Germany, France and the other more federalist EC states have scaled down their integrationist aspirations is far from universally shared in Whitehall.

Appearing the anti-Brussels right of the Conservative party will not win the prime minister friends in Europe. Nor will it further his aim of keeping Britain at the centre of the debate over Europe's post-Maastricht future.

Mr Hurd has set out the UK's

aims in a less triumphalist tone. Acutely aware of the price paid by Britain for isolation during much of Mrs Margaret Thatcher's premiership, the foreign secretary said this week: "There was a time when we didn't find it easy to have a running, continuous dialogue with our partners. Now it's easier and that's an important gain."

But he was in no doubt that the greater "realism" displayed by other EC governments after the trauma of Maastricht ratification and the near break-up of the ERM would not curb, in the long-term, their ambitions to make a reality of economic and political union.

By tonight Mr Major may well have been forced to concede that the European Monetary Institute,

the first step towards economic union, should be set up alongside the Bundesbank in Frankfurt.

So the government is aware that its deadline for Emu must be accompanied by a determined effort to give substance to the intergovernmental pillars of co-operation - in foreign and judicial policy - enshrined in Maastricht. If Britain is to press the case for a Europe of nation states, co-operation between governments must be seen to work.

Mr Major's problem is that he remains perched uncomfortably between two audiences. The recalcitrant right in the Conservative party demands the impossible: that the government turn back the clock of European integration to a golden age that never was, when Britain decided its own destiny. The UK's partners insist that, if their immediate ambitions have been curbed by the chill wind of economic reality, their federalist dreams have not. Sadly for Mr Major, Europe will not go away.

## OBSERVER

### Good eggs and sugar

■ The mushroom-pickers may not have their jobs back. But the taints of the gang of women, dressed as plantation slaves, who gathered outside this week's Booker prize ceremony to protest at their dismissal after an industrial dispute, seem to have wounded the food company to the quick.

Booker is actually rather proud of its liberal tradition. Chairman Jonathan Taylor "leans towards the soft centre" himself, while one of his predecessors was the progressive Labour peer, Lord Campbell. The company even used to give money to the Alliance.

But, "surrounded in fiction and myth", Taylor sees references to the company's origins in slavery and the slave trade wherever he turns. All jolly inconvenient, given the sugar interests in Guyana and the management consultancy business to assorted third world agricultural ministries.

Well, the history books are on his side, just about. For Booker Bros & Co was founded in 1844 in Demerara, now Guyana, by George and Richard Booker, Liverpool merchants trading in sugar, hardware and dry goods. This was a year after slavery had been abolished throughout the British empire, and 27 years after the trade in slaves had been halted.

The brothers may have traded

in sugar pre-emancipation, but that makes them no "more involved in slavery than people who ate the stuff", Taylor reckons. However, who, their elder brother Josias, who, having worked as an attorney on a Demerara cotton estate, was awarded a gold medal for his relations with the "negro" by the Anti-Slavery Society. "But one senses they were all quite good eggs," Taylor continues.

### Off line

■ In an attempt to display a sense of humour, Switzerland's PTT decided to dispense with the usual children's drawings or maps of the area on its telephone directory covers, and to go for cartoons instead.

The idea was to send up regional telephone habits, with the one for the Valais, for example, showing printers queuing up atop the Matterhorn to use a phone booth.

However, though the cartoons were vetted by psychologists, feminists, vegetarians and all manner of special interest groups, no bells of alarm rang over the cover for the Geneva directory. This featured two fatish Arab men in traditional robes standing beside their shiny Mercedes looking at the city's famous water fountain spurting high above Lac Lemane. "Transparent cliché," shouts one into his cellular telephone.

Unsurprisingly, the city's large Arab community is in high



dudgeon, and an official protest to the Swiss was duly lodged by the Arab mission at the United Nations in Geneva. This in turn elicited an apologetic PTT. "Next time we will not try to be so original," says Dieter Max Syz, the chief executive.

### One of us?

■ Has Philippe Maystadt got the right man? The Belgian finance minister has been loudly singing the praises of Alexander Lamfalussy, who will today be confirmed as the first president of the European Monetary Institute.

He has found, he thinks, a "true believer" in a single European currency.

Maystadt has also been at pains to point out how Lamfalussy, general manager of the Bank for International Settlements, compares favourably with certain sceptical European central bank governors.

But did he not read last year's BIS report, in which Lamfalussy's hard-bitting comments on monetary union conveyed the impression of a man less than wholly enthusiastic about the Emu endeavour? Then, the author was not shy of summing up the long list of "adjustment problems" that would be involved in moving to a single currency by the end of the century, or of giving ample treatment to the "many uncertainties" that lay ahead.

Indeed, so waspish was he deemed to have been on that occasion that he earned a rebuke from the president of the Dutch central bank. Wim Duisenberg is the man who, despite being France and Germany's favourite for the EMI job, turned it down because it wasn't big enough for him. Perhaps Maystadt should have tried one more heave to bring Duisenberg aboard.

### Cause célèbre

■ It starts heartwarmingly enough. In May, Bianca Jagger, representing the Albert Schweitzer Foundation, takes out of Tuzla, Bosnia, two

severely-ill children. One dies, but the other, Mohamed Rbiv, aged 8, undergoes successful heart surgery and is installed in Bianca's Manhattan apartment, where she procures him undying love for him.

Now Bianca says Mohamed is homesick and wants to go back to Tuzla. She and her partner Robert Torricelli, a prominent New Jersey congressman, bombard the UN High Commission for Refugees and the US embassy in Zagreb with demands that transport be arranged immediately. UNHCR, Torricelli has declared, "did nothing to save Mohamed's life and now they're doing nothing to help return him to his family". He is now insisting he will take the boy back to Tuzla by land from Zagreb if UNHCR does not provide a flight.

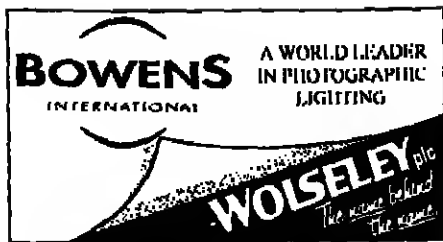
Officials point out that Mohamed's father is disabled and half-blind, the family squabbling in an unstable ruined house. Last week a Danish truck driver was killed on the road to Tuzla.

Bianca says, heart-rendingly, that Mohamed wants to go home and who is she to say he can't? Would that other refugees had such powerful patrons.

### Fair's fare

■ Has transport minister Steven Norris, currently reviewing the licensing arrangements for black cabs and minicabs in London, been rumbled as NSIT (Not Safe in Taxis)?





# FINANCIAL TIMES

Friday October 29 1993



Constitutional changes mark end of compromise

## Yeltsin seeks unfettered powers for presidency

By John Lloyd and Dmitri Volkov in Moscow

MR Boris Yeltsin is seeking to place unfettered powers in the Russian presidency with a series of constitutional amendments rendering the office invulnerable to challenge from a future parliament.

A series of amendments to the new constitution - now being thrashed out by a constitutional assembly - point to a greatly strengthened presidency and an end to previous efforts to compromise with the growing power of the regions.

A set of decrees issued by Mr Yeltsin yesterday also mark the biggest drive yet to bring Russia's rebellious regions under a restored central command, with the president at its apex.

Mr Yeltsin has demanded that all regions and republics immediately pay all taxes due to the central government - on pain of having all credits and centrally

distributed supplies suspended from November 1.

A number of republics and regions have withheld taxes, while arguing with the federal authorities over their respective rights to spend them.

Other regions have claimed republican status while a group of regions have proclaimed a new Urals Republic.

Under the constitutional amendments, the president would obtain the right to appoint the prime minister rather than, as is now the case, merely to propose a candidate who must then be confirmed by the lower house of the new parliament.

He would also be enabled to sack the government without the parliament's agreement and ultimately disband it, if it consistently opposed his choice.

The president would no longer be impeached for breaking the constitution - the issue on which the previous parliament sought to remove him.

Treachery against the state or other serious crimes are now the only grounds for impeachment, which must itself be confirmed by a higher court, with the impeachment process completed within three months.

The president would be empowered to suspend any executive body of power in Russia for breaking federal law, and the post of vice-president would be abolished, leaving the prime minister as the next in line in case of death or incapacity.

Amendments to the previous draft also include a cancelling of separate citizenship rights.

All foreign trade links would have to be "organised" by the centre, while the form of government adopted by regions and republics would need approval by the federal authorities.

The draft, which must be completed within the next two weeks, will then go to a referendum before being adopted.

## Belgium tries for show of unity at EC summit

By David Gardner and Lionel Barber in Brussels

THE Belgian presidency of the EC was last night straining to prevent today's special summit of the 12 heads of government degenerating into a row over the balance of power between big and small member states.

The summit was called to revive Europe's spirits following the traumatic process of ratifying the Maastricht treaty.

France and Germany presented a new initiative this week to give momentum to the EC through a new decision-making body made up of European affairs ministers.

But officials from the Commission, the Belgian presidency and a host of smaller member states feared that this could disguise a power-grab by the big member states, by shifting EC business from the Community to national governments.

Additional complications could come if the UK, Germany, France and Spain insist on raising the very sensitive issue of how to share out votes between the big and small countries, including Austria, Sweden, Finland and Norway, now negotiating EC entry by 1995. The Belgian presidency is relying on the strong will of the Twelve to avoid a public show of division after the disarray of the past 18 months.

But much depends on an agreement on the locations of a range of new EC institutions, chiefly the European Monetary Institute (EMI), the precursor of a European central bank.

It is widely accepted that Germany has an almost undeniable claim to the EMI, because of the predominance of the D-Mark among European currencies.

However, a decision depends on consensus being reached on homes for other coveted bodies, such as the European environmental agency or medicines evaluation agency.

UK officials said they would not use the summit to accuse France of jeopardising a Gatt world trade deal by the December 15 deadline agreed with the US because of Paris's opposition to the Blair House accord limiting subsidised farm exports.

Other EC states, led by Germany, are wary of isolating France.

EC leaders will also try to identify "joint actions" in the Maastricht common foreign and security policy. Likely areas for close co-operation include dispatching observers to monitor elections in Russia and South Africa, and the Middle East peace process.

But diplomats stressed yesterday it would be much more difficult to reach agreement on any new initiative on the former Yugoslavia; efforts would be confined to enhancing the humanitarian aid effort.

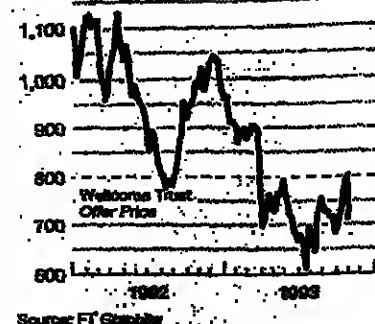
Delors bloodied but unbowed, Page 3

## Wellcome catches cold

FT-SE Index: 3163.0 (+8.7)

Wellcome

Share price (pence)



Source: FT Graphix

Hell hath no fury like a market caught off-balance. The 11 per cent fall in Wellcome's shares yesterday follows a bull run lasting four months. A poor performance from Retrovir, Wellcome's anti-Aids treatment, was expected following negative clinical trials. The sharp deceleration of Zovirax, the anti-viral drug which has been the engine of Wellcome's recent growth, is more of a shock. While it is dangerous to project a trend from six months' figures, as the stock market seems minded to do, there are reasons enough to reassess the prospects.

SmithKline Beecham's new anti-viral drug looks likely to provide Zovirax with stiff competition starting next year. The newcomer does not appear to have clear-cut therapeutic benefits, but SB will doubtless bring its marketing muscle to bear. Wellcome's declared defence strategy will include heavy discounting should this be required to keep sales growing. Margins have risen by 10 percentage points over three years, so it might now surrender some of the gain. Such threats might be aimed at dissuading SB from plucking its product too cheaply. But there must be a danger of a pricing battle from which neither company gains.

That might explain why Wellcome's generosity with its dividend fell on stony ground, unlike Glaxo's similar effort last month. With almost £500m in the bank and dividend cover of 2.7 times - against an industry average of 2.2 - Wellcome has room to repeat the trick. Until the profits outlook is less clouded, though, the promise of dividends growing faster than earnings does not hold much allure.

ICI

At first sight, the sharp bounce in third-quarter earnings reinforces ICI's status as a pure recovery stock now it has been stripped of Zeneca. Yet much of the profits improvement so far stems from a combination of cost cutting and one-off gains. The devaluation of sterling has added around \$80m to profits this year, against the overall improvement of £72m shown by continuing businesses. The fibres-for-nylons swap with DuPont flatters the underlying improvement in materials.

New plant coming on stream makes the profits recovery in industrial chemicals look better than market conditions alone would allow.

There are green shoots sure enough. Autumn price increases in PVC and titanium dioxide appear to be sticking.

for the first time in years. The regional businesses in Australia are showing genuine improvement. But the message from other European chemicals producers is one of continued misery. Over-capacity in petrochemicals will depress selling prices even if demand recovers in line with the economy. The industry is more likely to pull slowly out of recession than show the kind of sharp cyclical recovery seen in the early 1980s.

A concerted effort to close inefficient plant now being mooted among European producers offers a glimmer of hope for better times. Since ICI has taken its medicine without the benefit of subsidies, such co-ordinated action might seem a shade unfair. If the plan ever reaches fruition, though, ICI is well placed to benefit.

Reuters

The doubts surrounding the future of the Globex futures trading system are a smudge on Reuters' recent record. Globex has proved itself technically, and experience with the system on Matif has shown it can operate successfully. But tensions between Reuters and the two Chicago exchanges, which have jointly developed Globex, have hindered its expansion and are now jeopardising its future viability.

The current relationship is untenable and must be altered. To succeed, Globex needs significantly to increase trading volumes. This will require the inclusion of other exchanges. But some of them, including Life, justifiably worry about surrendering control of their products to the Chicago exchanges, which are their main com-

petitors. The hope is that forthcoming talks will break the log-jam with Reuters gaining control of the day-to-day operations. The Chicago exchanges have little room for manoeuvre given Globex's current losses.

Even if the talks break down and Reuters exercises its option to pull out of Globex next April, the financial damage will be limited. Reuters has already spent and written off an estimated \$75m developing the system. Moreover, Globex is the least important of Reuters' new generation of products. Instinet is proving its worth. The Dealing 2000 foreign exchange system also appears to be acquiring critical mass. Nonetheless, a failure to capitalise on Globex would represent a serious blow to Reuters' reputation and ability to transfer its technological skills into new markets.

Ferranti

GEC's offer of between £110m and £150m for Ferranti seems to be pitched at a level which allows it to acquire the business with a minimum of fuss. Whether the bid is priced correctly is more uncertain. Arguably, GEC could have picked up the pieces of Ferranti from the receiver for far less than the nominal £10m being paid to shareholders and the assumption of Ferranti's debts. Against that, GEC argues that many things can go wrong once the undertakers are called in and the body starts to decompose. Yet it seems improbable that Ferranti's business is worth almost exactly the value of its outstanding debts. Perhaps GEC's judgment is that it can squeeze more from the corpse and do the Ministry of Defence a favour at the same time.

That should leave the banks offering thanks in the general direction of Lord Weinstock, who has relieved them of a sticky position and, in all probability, a messy insolvency. GEC's preparedness to take the banks out at face value may prompt shareholders to feel that there is more in it for them. If so, they are probably mistaken, as Ferranti's chairman, Eugene Anderson, was at pains to point out yesterday.

Given that GEC has made its offer conditional on obtaining 90 per cent acceptance, disgruntled shareholders could frustrate the plan. But unlike equally contentious offers such as Amstrad or Greycoat, the alternative for Ferranti probably is immediate receivership. The offer is a poor reward for the rights money and loyalty offered to a company whose track record scarcely deserved it.

## VW wants four-day week

Continued from Page 1

line with the planned reduction in the working week from 36 to 28.8 hours would not be possible for all employee groups.

He also indicated that the German workforce would demand sacrifices and capacity cuts elsewhere in the group, which includes Audi, the quality car division, Skoda in the Czech Republic and Seat in Spain, which are not included in Mr Hart's programme.

Seat has recently been told that one of its three factories is to be closed and 40 per cent of the 23,000 workforce is to go.

Mr Volkert said the unions will also demand details on the effects of changes introduced by production director Mr José Ignacio López de Arriortua.

These include switching parts manufacture from inside the company's six German works to cheaper outside suppliers.

Mr López is also mainly responsible for an efficiency drive, which VW expects will improve productivity in German factories by between 11 per cent and 15 per cent next year, further increasing the pressure for job cuts.

Meanwhile the company plans to produce only 1.4m vehicles in 1994, unchanged from this year, which Mr Pisch describes as the worst year for the motor industry since the war.

Latest retail registration figures show VW suffering severe difficulties in its key export markets. In Italy the number of new VWs going on the road slumped 38 per cent. In Spain, where the market was down 25 per cent, VW registrations dropped 35 per cent.

## US inflation at seven-year low on 2.8% growth rate

By Jurek Martin in Washington

THE US economy expanded at a real annual rate of 2.8 per cent in the third quarter, the best performance this year, because of steady growth in consumer spending and industrial production.

Inflation fell to its lowest level in seven years, the Commerce Department said yesterday.

The gross domestic product improvement would have been even better but for this summer's Midwest flooding, which cut 0.6 per cent off the quarterly return. In the first two quarters, GDP rose by 0.8 per cent and 1.9 per cent respectively.

Evidence of a non-inflationary and stronger recovery, with some better than expected corporate profits, pushed Wall Street sharply higher in early trading. The Dow Jones Industrial Average added 33 points by early afternoon to reach 3,697. Bond prices fell only modestly.

Only the farm and defence sectors failed to show growth. Meanwhile the company plans to produce only 1.4m vehicles in 1994, unchanged from this year, which Mr Pisch describes as the worst year for the motor industry since the war.

Latest retail registration figures show VW suffering severe difficulties in its key export markets. In Italy the number of new VWs going on the road slumped 38 per cent. In Spain, where the market was down 25 per cent, VW registrations dropped 35 per cent.

Mr Roo Brown, the commerce secretary, said interest-sensitive sectors seemed to be leading the recovery. Consumer durable equipment was up 9 per cent, residential construction was up 10.1

per cent and durable goods (up 7.5 per cent).

Inflation also abated in the third quarter, dropping to an annual rate of 1.8 per cent from the 2.5 per cent of the previous three months, according to the commerce department's fixed-weight price index for gross domestic purchases. This was the lowest quarterly increase since 1986, the department said.

President Bill Clinton, pre-empting a report due out later in the day, announced that the budget deficit in the fiscal year ending last month had fallen to \$355bn, 12 per cent lower than the \$290.2bn of fiscal 1992. He said this was evidence his economic policies were working.

A fistful of private economic forecasts foresaw even higher growth in GDP in the final three months. The Conference Board predicted a real 3.4 per cent, while Merrill Lynch's estimate was a more bullish 4.5 per cent.

There remains concern that the current growth cycle may resemble that of last year, when an anaemic first half was transformed into a 5.7 per cent expansion in the last quarter. This was succeeded by minimal growth in the first half of this year.

The main negative non-farm elements were a widening trade gap, with exports down 1.1 per cent and imports up 1.9 per cent, though this was a more modest increase than before, and federal government purchases, down 6.1 per cent on lower defence orders.

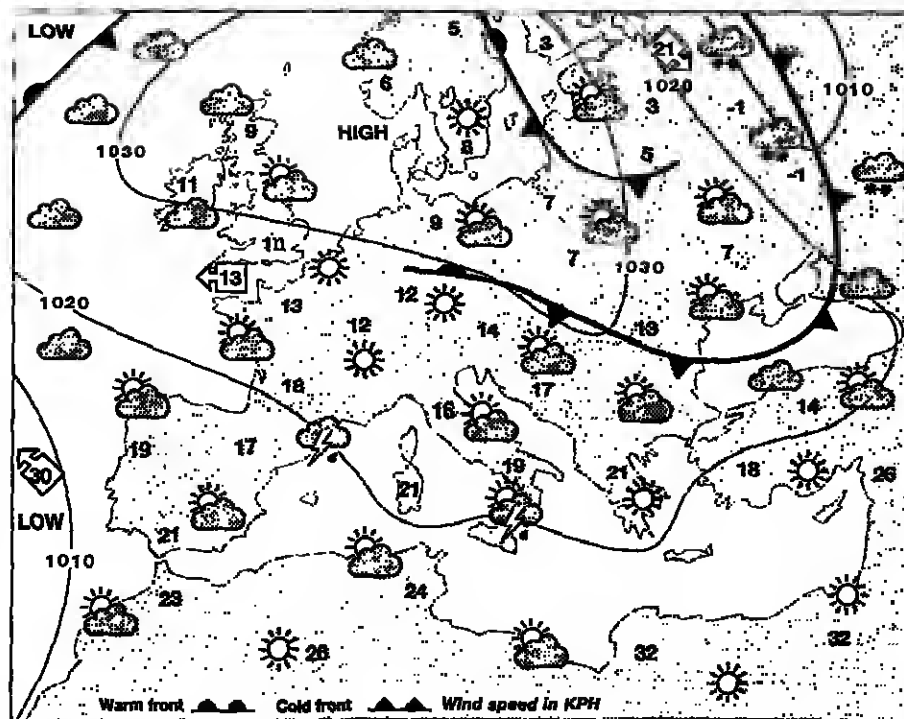
## FT WORLD WEATHER

### Europe today

High pressure over southern Scandinavia will cause calm conditions across north-west Europe with cloud and light rain or drizzle over the North Sea and Scotland. Sun is expected over Germany, the Benelux, England and large areas of France. In the meantime, cool air with scattered snow showers will move from eastern Finland into the CIS. Frost will form mainly in eastern Scandinavia but milder air will approach Norway from the Atlantic. It will turn cooler in the northern Balkans and the Black Sea region. Unsettled conditions are expected over north-east Spain and southern France with rain or thunder showers. Central and southern Italy could have showers.

### Five-day forecast

High pressure will dominate the North Sea causing settled conditions across the north-west part of the continent. A depression over the eastern Atlantic will approach Portugal during the weekend causing rain or thunder showers over large areas of the Iberian peninsula during the next few days. Frosty conditions over the CIS will move further east as milder air arrives, but some snow will precede the warming trend.



### TODAY'S TEMPERATURES

Location	Temp	Location	Temp	Location	Temp
Madrid	10	Cardiff	10	Frankfurt	10
Belfast	10	Chicago	13	Geneva	8
Casablanca	10	Dallas	13	Glasgow	10
Cebu	27	Dakar	28	Hamburg	10
Hong Kong	27	Dubai	31	Heidelberg	10
London	11	Dublin	11	Hong Kong	27
Los Angeles	11	Dublin	11	London	11
Manila	27	Dublin	11	Los Angeles	11
Moscow	10	Dublin	11	Manila	27
Mumbai	27	Dublin	11	Moscow	10
Nairobi	27	Dublin	11	Mumbai	27
Paris	10	Dublin	11	Nairobi	27
Rangoon	27	Dublin	11	Paris	10
Seoul	10	Dublin	11	Rangoon	27
Singapore	27	Dublin	11	Seoul	10
Taipei	10	Dublin	11	Singapore	27
Tokyo	10	Dublin	11	Taipei	10
Yokohama	10	Dublin	11	Tokyo	10

Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

Location	Temp	Location	Temp	Location	Temp
Yokohama	10	Yokohama	10	Yokohama	10
Yokohama	10	Yokohama	10	Yokohama	10
Yokohama	10	Yokohama	10	Yokohama	10
Yokohama	10	Yokohama	10	Yokohama	10
Yokohama	10	Yokohama	10	Yokohama	10
Yokohama	10	Yokohama	10	Yokohama	10
Yokohama	10	Yokohama	10	Yokohama	10
Yokohama	10	Yokohama	10	Yokohama	10
Yokohama	10	Yokohama	10	Yokohama	10

Latest technology in flying: the A340

**Lufthansa**  
German Airlines

## A busy month at Flemings.

<p>Friday 1 October</p> <p><b>Amoy Properties Limited</b> (Incorporated in Hong Kong)</p> <p>300,000 Convertible Cumulative Preference Shares</p> <p>Available in the form of International Depositary Receipts</p> <p>Jardine Fleming Swiss Bank Corporation</p>	<p>Tuesday 5 October</p> <p><b>Sino Land Company Limited</b> (Incorporated in the People's Republic of China)</p> <p>US\$200,000,000</p> <p>5 per cent. Convertible Bonds due 2000</p> <p>Jardine Fleming</p>
<p>Tuesday 12 October</p> <p><b>Thai Central Chemical Public Company Limited</b> (Incorporated in Thailand)</p> <p>US\$60,000,000</p> <p>3 1/2 per cent. Convertible Bonds due 2003</p> <p>Jardine Fleming Nikko Europe Plc</p>	<p>Monday 18 October</p> <p><b>Johnson Electric Holdings Limited</b> (Incorporated in the Republic of Singapore)</p> <p>US\$150,000,000</p> <p>4 1/2 per cent. Convertible Bonds due 2000</p> <p>Morgan Stanley International Jardine Fleming</p>
<p>Friday 22 October</p> <p><b>Foreign &amp; Colonial Pacific Investment Trust PLC</b></p> <p>£10,000,000,000</p> <p>3 per cent. Convertible Bonds due 2000</p> <p>S.G. Warburg Securities Robert Fleming &amp; Co. Limited</p>	<p>Tuesday 26 October</p> <p><b>Reliance Industries Limited</b> (Incorporated in India)</p> <p>US\$140,000,000</p> <p>3 1/2 per cent. Convertible Bonds due 2001</p> <p>Morgan Stanley International Robert Fleming &amp; Co. Limited</p>

## FLEMINGS

INTERNATIONAL INVESTMENT BANKING

LONDON, NEW YORK, HONG KONG, TOKYO, PARIS, FRANKFURT, MADRID, ZURICH, GENEVA, MILAN, SYDNEY, SAN FRANCISCO, BANGKOK, TAIPEI, MANILA, JAKARTA, SEOUL, SHANGHAI, BOMBAY, KUALA LUMPUR, SINGAPORE, LAHORE, COLOMBO, JOHANNESBURG, BAHRAIN

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## INTERNATIONAL COMPANIES AND FINANCE

## Axa posts modest gain to FF831m

By Alice Rawsthorn in Paris

AXA, the second largest French insurance group, mustered a modest increase in net profits to FF831m (\$146.8m) in the first half of this year from FF631m in the same period of 1992, and confirmed that it was on course for profits growth in the full financial year.

"We think that our results for 1993 should be slightly better than the figures for 1992," said Mr Claude Bébéar, chairman, who also forecast an improved performance in the second half from Equitable, the US insurer in which Axa

holds a 49 per cent stake.

Axa last year saw net profits fall sharply to FF1.5bn from FF2.4bn in 1991, because of the sluggish state of the French insurance market and a disappointing performance from Equitable. The French group earlier this year staged a FF3.65bn convertible bond issue to strengthen Equitable's capital position.

However, Mr Bébéar said that the outlook for Equitable was improving.

The US associate contributed FF430m to Axa's net profits during the first half, due to a robust performance from its

financial services operation and reduced losses from its insurance interests.

Equitable also contributed FF274bn to Axa's turnover during the first half, thereby fuelling an overall increase in turnover of 86 per cent to FF64.8bn.

Mr Bébéar said that Equitable represented 42 per cent of the group's activity. "We're turning into a company that's more American than French," he said.

Axa, like other French insurers, has been affected by the pressures of the recession, although the competitive

strains on the market are now easing.

Insurance profits slipped to FF724m from FF985m, but the group benefited from brisk growth in financial services, due to Equitable, with net profits rising to FF636m from FF289m.

Mr Bébéar confirmed that Axa might be interested in GMF, the French mutual insurance group, in order to expand its motor insurance business.

However, he said that "right now Axa doesn't have a plan of action regarding GMF", and that the two companies were not even in negotiations.

## Austria to sell part of holding in bank

By Ian Rodger in Zurich

CREDITANSTALT-Bankverein, Austria's second largest bank, said the Austrian government has agreed to sell a large portion of its controlling shareholding next year.

The bank would like the placing, which could be worth up to Sch6bn (\$500m), to be spread widely among both domestic and international investors.

The government holds 49 per cent of the equity, but 70.5 per cent of the voting power.

Mr Guido Schmidt-Chiari, chief executive, said that timing would depend on market conditions, but the issue would probably come shortly after the bank reports its 1993 results in late April or early May.

The bank reported third quarter pre-tax profits up 47 per cent to Sch1.38bn and forecast "substantially improved" results for the full year.

The Creditanstalt preferred share has been among the most active and buoyant on the Vienna Bourse this year, and the group is now capitalised at about Sch34bn.

Mr Ferdinand Lacina, the finance minister, has made clear that the government is eager to fully privatise the bank. But he wants at least one large shareholder to take the government's place.

Last year, Mr Lacina held negotiations with General Electric of the US, and earlier this year an abortive attempt was made to merge the bank with Austria's Raiffeisen co-operative banking group.

If no such strong shareholder is found, the government may retain enough shares after the placing to keep its voting control.

For the nine months, pre-tax profits were up 64.2 per cent to Sch3.7bn, but the bank warned that its results in the first half of last year were extremely depressed. Total assets at the end of September stood at Sch530.8bn, down 4 per cent since the end of June.

Provisions for bad loans would again be high, but not as high as last year's Sch5.66bn.

## France aiming for Renault privatisation next year

By John Riddling in Paris and Christopher Brown-Humes in Stockholm

THE FRENCH government is aiming to privatise the merged Renault-Volvo vehicle group in the second half of next year, according to Mr Gérard Longuet, France's industry minister.

Mr Longuet's statement, in an interview in yesterday's Dagens Industri, a Swedish financial daily, appeared to be aimed at reassuring Volvo shareholders and union members who have voiced concerns about the merger and the fact that there is no firm date for privatisation.

"The intention of the French government is not to 'nationalise' Volvo but to privatise the new group as quickly as possible," Mr Longuet said. "If the situation in the automobile industry stabilises then we have as our objective privatisation in the second half of 1994."

But he added that the merger between the French and Swedish car groups must be implemented, as scheduled, from the beginning of next year for privatisation to go ahead.

FOND 92-94, one of Volvo's prominent institutional shareholders, said yesterday that it would vote against the planned merger of the company's car and truck operations with Renault. Christopher Brown-Humes writes.

Its board decided unanimously that the merger should not take place before Renault had been privatised and had gained a market value.

Fond 92-94 has 2.5 per cent of the votes in Volvo and 2.8 per cent of the capital. It is the first institution to declare its position since Volvo published its merger prospectus earlier this week. Its decision was not unexpected because of tensions between the fund's management and the Volvo board.

The merger agreement, concluded at the beginning of last month, has faced strong opposition from small shareholders in Sweden, some union members and much of the Swedish press. Their main criticisms are that the privatisation schedule is too vague and that the valuations, which have given the state-controlled French car group 65 per cent of the shares and Volvo 35 per cent of the combined company, are unclear.

Earlier this week, 900 Volvo engineers called for the merger to be postponed until the combined group is privatised. A committee representing 5,000 white-collar workers has also decided to vote against the deal at the company's extraordinary general meeting on November 9.

Mr Carl Bildt, the Swedish prime minister, has said there is an "urgent need" for the merged group to be privatised. French industry ministry officials also clarified the terms of the "golden share" to be retained by the French government after privatisation.

The officials said that even in the event of a rupture in the shareholder agreement between the two groups and the failure to privatise the group, the French government could not use its golden share to force Volvo to reduce its shareholding.

Volvo could, however, lose voting rights on shareholdings above 20 per cent of the group.

## Alcazar partners deny talk of collapse

By Ian Rodger

THREE of the four European airlines aiming to merge their operations in the so-called Alcazar project dismissed speculation that their negotiations were collapsing.

A fresh round of talks would be held next week, an Austrian Airlines spokesman said. Swissair and KLM Royal Dutch Airlines said they expected to reach a conclusion in the next few weeks.

Press speculation in Holland, Scandinavia and Switzerland about a collapse of the talks sent shares of KLM and Aus-

trian tumbling 3 per cent yesterday, while Swissair registered shares eased SF8 to SF8.94.

The partners had aimed to complete the negotiations, which began earlier this year, by mid-September. However, it proved more difficult than expected to resolve key issues, such as the relative valuations of the airlines and the selection of directors and a headquarters location.

One of the toughest issues has been the selection of a US partner. KLM wants Northwest Airlines, in which it has a 20 per cent stake, while Swissair

is arguing for Delta, with which it has a co-operation agreement.

On Tuesday, Mr Paul Reutlinger, marketing director of Swissair, said Northwest was not a satisfactory partner, partly because of its financial weakness and partly because it has only two hubs in the continental US.

"Swissair would not want to get into bed with a sickly partner," Mr Reutlinger said at a travel industry fair in Montreux. "If Alcazar is to become a worldwide carrier, the choice of a US partner must fall on Delta," he added.

A Swissair spokesman said these remarks did not mean that Swissair would pull out of Alcazar if Delta was not selected. "It only implies that we prefer Delta. We are still negotiating on a US partner."

The spokesman denied reports that Germany's Luft-hansa had made an offer of co-operation to Swissair.

He also played down Scandinavian reports indicating that Scandinavian Airline System, the fourth partner in Alcazar, was losing interest in the project. He attributed them partly to stresses arising from SAS's latest rationalisation plans.

## Finland poised to take 14.8% of KOP

THE FINNISH government is set to take a 14.8 per cent stake in Kansallis-Osake-Pankki (KOP), the country's leading commercial bank, after receiving shares worth Fm11m from the bank. This is part-payment for its purchase of a share in the business of the Savings Bank of Finland (SBF), writes Christopher Brown-Humes.

KOP plans to issue 77m new shares worth Fm13 each to the government guarantee fund, which is selling SBF to four Finnish banks.

The bank will pay a further Fm400m (\$69.6m) in cash to the government for its share of SBF's assets. It is poised to take over 135 SBF branches and Fm12bn of deposits.

The issue will raise KOP's share capital from Fm4.42bn to Fm5.19bn. The government has

## NEWS IN BRIEF

undertaken not to sell its shares before March 23 1994.

■ **SHAREHOLDERS** in Mediobanca, the Milan merchant bank, yesterday approved a Li.020bn (\$625m) capital increase to provide for the forthcoming wave of privatisations in Italy and to cover portfolio write-downs as a result of recession and the Ferruzzi-Montedison collapse, writes Robert Graham in Rome.

There had been speculation that the three banks controlled by Iri, the state holding company - Credito Italiano, Banca Commerciale Italiana (BCI) and Banca di Roma - would use their combined 25 per cent stake to delay the move.

■ **GROUPE AG**, the Belgian insurance company, is to raise BF7.6bn (\$208m) in a rights issue to pay for part of its planned acquisition of ASLK-CGER, the Belgian state-owned savings and insurance group, writes Ronald van de Krol in Amsterdam.

The BF7.6bn acquisition is being made by AG and by Amey, the Dutch insurance company, through their jointly-owned vehicle, the Fortis financial services group. AG had said that it may make a share issue as part of the financing package.

Amey will also contribute BF7.5bn to the acquisition, with the remainder of the financing to be met by companies

within the Fortis group. Some of these funds were generated by recent divestments of stakes held in Générale Bank and Banque Bruxelles Lambert of Belgium.

■ **DSM**, the Dutch chemicals group, swung into a net loss of F152m (\$28m) in the third quarter of 1993 from a net profit of F153m in the previous year, underlining the continuing difficulties it faces in weak European markets, writes Ronald van de Krol.

The company cautioned that it also expected to post a loss for the fourth quarter. The third-quarter figures take DSM's results for the first nine months of the year to a net loss of F142m from a net profit of F126m in the same period of 1992.

## First-half results

## CNP strengthens its position as leading personal insurer in France

CNP's consolidated sales rose 81 % to FF 33.2 billion in the period to June 30, 1993 in a growing market (almost 30 % in the same period).

This first-half sales performance flows notably from outstanding growth in the individual insurance sales networks.

Assets under management accordingly advanced 34 % to FF 193 billion.

## Half-yearly figures (in FFm)

	First-half 1993	First-half 1992	%
Sales	33,242	18,358	+ 81.07
Net earnings (Group share)	601,703	542,995	+ 10.81
Total assets (in FF bn)	214,72	161,24	+ 33.10
Equity excluding minorities	9,645.9	7,883.46	+ 22.20

Group net earnings continued to grow steadily, rising 10.8 % to FF 601.7 million.

CNP has once again confirmed its personal insurance market leadership in France, which it has held since 1991.

Full-year sales for 1993 are forecast to grow by between 35 and 40 %.

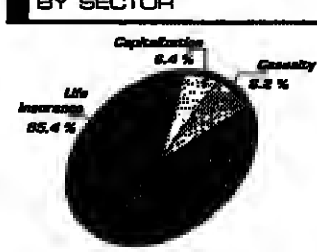
## CNP's expansion is based on a clearly defined strategy of :

- Specializing in personal insurance.
- Developing its activities simultaneously :
  - individual and group insurance,
  - saving products and risk guarantees.
- Working in partnership with leading French and foreign institutions to market jointly developed products.
- Increasing earnings by maximizing management efficiency.

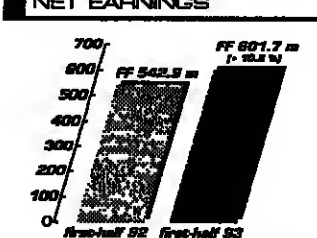


CNP, VIVEZ BIEN ASSURÉ

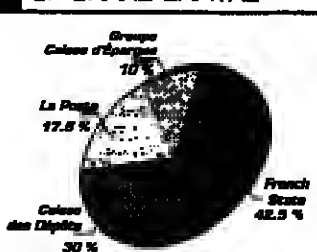
## ANALYSIS OF SALES BY SECTOR



## CONSOLIDATED NET EARNINGS



## ANALYSIS OF SHARE CAPITAL



The broadening of CNP's share-ownership in 1992 has strengthened its links with its main partners.

Financial Information  
Phone : 42 18 87 00

## NOTICE TO HOLDERS OF THE SECURITIES ISSUED BY C.I.TOH FUEL CO., LTD. (the "Company")

The company adopted at its Annual General Meeting of Shareholders held on 29th June, 1993 a resolution to change the English corporate name of the Company to ITOCHU FUEL CORPORATION.

1. Effective as from 29th June, 1993, the English corporate name of the Company will change to ITOCHU FUEL CORPORATION.

2. The Notes and Warrants mentioned below will remain listed on the Luxembourg Stock Exchange under the Company's previous corporate name but followed by the new corporate name. Each new notice to the holders of the Notes and Warrants will contain both names.

3. The said Notes and Warrants will not be stamped or exchanged for new Notes and Warrants.

4. The Company under the new corporate name will continue to owe the obligations to pay principal of and interest on the above Notes, respectively.

Listed on the Luxembourg Stock Exchange  
NOTES DUE JANUARY 1997  
Issued by the Company  
- U.S. \$70,000,000 4 1/4 %  
Guaranteed Notes due 1993 with Warrants  
- U.S. \$100,000,000 3 1/8 %  
Notes due 1996 with Warrants  
C. ITOCHU FUEL CO., LTD.  
29th October, 1993

## L'ORÉAL

Consolidated turnover for the first nine months of 1993 stood at FF 30.12 billion.

This represents growth of 7% compared to the first nine months of 1992, using identical structures and exchange rates. The published figures show a growth of 7.7% based on the exchange rates prevailing at 31 December 1992.

Growth in consolidated turnover for the first half of 1993 was 71 % on a comparable basis and 81 % using published data, based on the same exchange rates.

The consolidated accounts at 30 June 1993 showed a profit of FF 2.45 billion before tax, employee profit-sharing and capital gains and losses, representing growth of 10.5% compared to 30 June 1992.

Information currently available for the second half of 1993 indicates that growth in turnover and profit for the full year should be at least equivalent to that of the first half.

Further information on the Group worldwide can be obtained by writing to the Investor Relations and Business Information department of the L'ORÉAL group, Office No. A 0403, 41, rue Martre 92117 CLICHY (FRANCE); or by fax: (33-1) 47 56 80 02.

## Citicorp Banking Corporation

(Incorporated in the State of Delaware)  
Unconditionally guaranteed on a subordinated basis by

## CITICORP

US\$250,000,000 GUARANTEED FLOATING RATE SUBORDINATED CAPITAL  
NOTES DUE JANUARY 1997  
Notice is hereby given that the Rate of Interest has been fixed at 5.25% and that the interest payable on the relevant Interest Payment Date January 31, 1994 against Coupon No. 36 in respect of US\$10,000 nominal of the Notes will be US\$137.08.

US\$400,000,000 GUARANTEED FLOATING RATE SUBORDINATED CAPITAL  
NOTES DUE OCTOBER 1996  
Notice is hereby given that the Rate of Interest has been fixed at 5.25% and that the interest payable on the relevant Interest Payment Date January 31, 1994 against Coupon No. 37 in respect of US\$10,000 nominal of the Notes will be US\$137.08.

October 29, 1993, London  
By: Citibank, N.A. (Issuer Services), Agent Bank  
CITIBANK

## Sakura Finance Asia Limited

(Incorporated in the Cayman Islands)  
Mitsui Finance Asia Limited  
U.S.\$150,000,000  
Guaranteed Floating Rate Notes 1997

In accordance with the provisions of the Notes, notice is hereby given that for the three month period 29th October, 1993 to but excluding 31st January, 1994 the Notes will carry an Interest Rate of 3.6875% per annum. Coupon will be U.S.\$96.28 on the Notes of U.S.\$10,000.

Sakura Trust International Limited  
Agent Bank

## CITICORP

US\$350,000,000  
Subordinated Floating Rate Notes Due November 27, 2005  
Notice is hereby given that the Rate of Interest has been fixed at 5% in respect of the Original Notes and 5.0875% in respect of the Enhancement Notes, and that the interest payable on the relevant Interest Payment Date November 30, 1993 against Coupon No. 96 in respect of US\$10,000 nominal of the Notes will be US\$44.44 in respect of the Original Notes and US\$45.22 in respect of the Enhancement Notes.

US\$500,000,000  
Subordinated Floating Rate Notes Due October 25, 2005  
Notice is hereby given that the Rate of Interest has been fixed at 5% and that the interest payable on the relevant Interest Payment Date November 30, 1993 against Coupon No. 97 in respect of US\$10,000 nominal of the Notes will be US\$44.44.

US\$500,000,000  
Subordinated Floating Rate Notes Due January 30, 1998  
Notice is hereby given that the Rate of Interest has been fixed at 5% and that the interest payable on the relevant Interest Payment Date November 30, 1993 against Coupon No. 94 in respect of US\$10,000 nominal of the Notes will be US\$44.44.

October 29, 1993, London  
By: Citibank, N.A. (Issuer Services), Agent Bank  
CITIBANK



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# INTERNATIONAL COMPANIES AND FINANCE

## BCE drops 57% on poor results at telecom unit

By Robert Gibbons in Montreal

BCE, Canada's biggest company, suffered a 57 per cent drop in third-quarter profit because of poor results at Bell Canada, its fully-owned telecommunications subsidiary and at Northern Telecom, the equipment affiliate.

BCE said NT's recovery was under way after a year of restructuring and cuts in capital spending.

Intense competition in the long-distance sector reduced Bell Canada's earnings. Another factor was the federal regulator's decision to refuse its request for higher local rates.

Traditionally, long distance traffic has subsidised local services, but deregulation of long distance services and the entry of Unifone and numerous resellers into the market has changed this.

BCE's third-quarter profit was \$125m (\$95.5m) or 42 cents a share, down from \$229m or 96 cents a year earlier, on revenues steady at \$5.5bn.

At the nine-month stage the groups suffered a loss of \$218m or 71 cents a share, against a profit of \$750m or \$2.56, on little change at almost \$18.5bn.

The latest period included BCE's share of nearly \$1bn of NT special charges. Excluding these, BCE earned \$1.33 a share.

Bell Canada contributed 66 cents per BCE share in the third quarter and \$1.73 in the nine months, down from \$2.33 a year earlier.

Local business is growing in volume, with more network access services but more revenue is being lost to competitors. In addition, depreciation was higher in the nine months.

NT made a negative contribution of 7 cents per BCE share in the third quarter and \$2.14 in the nine months, compared with a positive contribution of 58 cents per BCE share a year earlier. NT's margins contracted and it took heavy restructuring charges.

Mobile communications improved as did international telecommunications. But Montreal Trust made a negative contribution. It posted a nine-month loss of \$32.6m or 79 cents a share after further provisions for doubtful property loans.

BCE is trying to sell this unit and tackle the problem of BF Realty, its insolvent property unit.

## Statoil rises to Nkr2.9bn despite weaker oil price

By Karen Fossell in Oslo

STATOIL, the Norwegian state oil company, yesterday reported a rise in nine-month net profit to Nkr2.9bn (\$414m) from Nkr2.4bn in the same period last year, in spite of lower crude oil prices and a decline in crude oil production.

The group forecast lower operating profits for the fourth quarter, on the basis of oil prices, and warned of uncertainties over the balance of the oil market and price trends, particularly for crude oil.

Nevertheless, its revenue rose by Nkr2.2bn to Nkr3.3bn in the first three quarters of this year while operating profit remained unchanged at Nkr3.9bn.

Statoil said Brent Blend reference crude secured an average price of \$17.64 per barrel in the first nine months of this year, down from \$19.36 for the same period last year. Crude oil availability fell to an average 408m barrels a day in the first nine months of this year from an average 418m last year.

The third quarter was affected by declining oil prices and continued low prices for petrochemical products, but net profit increased to Nkr1.1bn from Nkr950m as revenue rose slightly to Nkr2.05bn.

For the group's individual business units, exploration and production lifted nine-month operating profit by Nkr600m to Nkr7.2bn, helped by higher oil prices in domestic currency terms - Nkr124 a barrel versus Nkr119 - and lower operating costs.

Refining and marketing lifted operating profit by Nkr200m to Nkr772m, helped by higher margins at the Mongstad refinery, improved operations and better results from marine transport operations.

Petrochemicals and plastics saw operating losses increase by Nkr127m to Nkr405m due to a charge of Nkr198m against accounts to cover winding-up costs of a major methacrylate butyl ether (MTEBE) project which the group owned.

Statoil said that excluding the charge, the unit's result was improved by better margins and lower costs.

The natural gas division suffered a decline of Nkr500m in operating profit to Nkr2.4m in the nine-month period, due to lower revenue from gas transport operations.

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## Elkem turnaround at nine months

By Karen Fossell

ELKEM, the Norwegian light metals producer, yesterday disclosed a nine-month pre-tax profit of Nkr464m (\$67.1m), against a loss of Nkr307m last year. It was helped by cost reductions, a decline in domestic energy taxes, favourable currency exchange rates and slightly higher sales volumes.

The company said it was holding debt restructuring negotiations which are expected to be completed by the end of autumn.

Group net sales rose by Nkr285m to Nkr5.72bn as operating profit shot up to Nkr282m from Nkr40m last year.

Operating costs increased slightly by Nkr63m to Nkr5.33bn.

Elkem reduced nine-month net financial expenses by Nkr46m to Nkr17m, including a decline of Nkr68m in net interest costs to Nkr242m.

"The fall in interest expenses is mainly due to a reduction in net debt," which fell to Nkr4.4bn at end-September from Nkr4.5bn at the end of 1992, Elkem said.

It said agreement in principle had been reached with its banks to restructure the group debt which falls due at the end of this year and 1994.

The restructuring proposal calls for four syndicated credit facilities - which mature during December 1993 to December 1994 - to be consolidated into one facility of about \$75m to be repaid during a four-year period from 1994.

Elkem's prospects will be affected by the lack of growth in demand for metals and alloys. "There are no signs yet of a significant improvement in the world economy," it said.

While anti-dumping measures and structural changes contributed to a slight increase in prices for ferroalloy and ferromanganese during the second half of this year, prices for aluminium, silicon metal and ferrochrome declined, the company added.

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## Sharp gains at Norwegian insurer

By Karen Fossell

VITAL Forsikring, one of Norway's top three insurers, yesterday announced a sharp rise in nine-month value-adjusted pre-tax profit to Nkr3.13bn (\$447m) from Nkr2.22bn in the same period last year.

The group's free shares rose by Nkr4 to Nkr50 on the Oslo bourse on the news as the A-shares added Nkr1.50 to Nkr70.50. Vital attributed the advance to a 16.5 per cent increase in premium income and gains on securities.

Premium income in the first nine months of this year rose by Nkr327m to Nkr3.64bn as gross financial income shot up by Nkr2.02bn to Nkr3.64bn, of which Nkr1.27bn was due to securities gains. By the end of

last month, the value of the group's securities portfolio had increased by Nkr2.09bn to Nkr2.67bn. Insurance payments rose by Nkr109m to Nkr1.52bn as operating expenses increased by Nkr14m to Nkr418m.

"Private market sales were fairly static until the end of summer, but the September figures show an increasing awareness among the public of the need for financial security and a good return on savings," said Mr Bjørn Elvestad, president.

He added that Vital's performance this year had strengthened the group's capital base. Group assets increased to Nkr40.01bn from Nkr34.06bn. Of total assets, bonds accounted for 44.3 per cent, loans 33.9 per cent, equities 9.3 per cent and real estate 4.2 per cent. Vital's capital adequacy ratio was put at 9.2 per cent of risk-weighted assets.

• Dyrø Industrier, the Norwegian chemicals, explosives and plastics group, said nine-month pre-tax profits improved to Nkr244m from Nkr133m in the same period last year, helped by securities gains and low interest rates.

Group revenue rose by Nkr49m to Nkr2.07bn due to a stronger dollar and the addition of businesses since last year.

Operating profit dipped by Nkr17m to Nkr298m as financial income "increased by Nkr45m to Nkr188m. Dyrø cut financial expenses by Nkr58m to Nkr245m as operating expenses rose by Nkr442m to Nkr3.98bn.

## Canada forest group reduces first-half loss

By Robert Gibbons in Montreal

FLETCHER Challenge Canada, the integrated forest products group, reduced losses in the first quarter of fiscal 1994. The company, controlled by Fletcher Challenge of New Zealand, was helped by higher timber and coated paper prices, increased pulp and newsprint shipments and a lower Canadian dollar.

For the three months to September 30, the company posted a loss of \$312.9m (\$39.9m) or 11 cents a share, against a deficit of \$318.8m or 24 cents, on sales ahead to \$370m from \$367m last time. The rise in sales came partly from inclusion of the Elk Falls pulp and paper operation acquired last February.

FCC, which had a small profit in the June quarter, is putting most of its wood products and logging operations into a new company, TimberWest. It will then sell 49 per cent of the company to the public.

The group said industry-wide shutdowns appear to have stabilised pulp prices and there might be an improvement in 1994.

## Shiseido gains despite mid-term fall in sales

By Enriko Torazono in Tokyo

SHISEIDO, Japan's largest cosmetics company, reported a fall in sales for the first six months to September due to the decline in consumer confidence, but managed to post a marginal rise in profits thanks to cost reductions.

Non-consolidated pre-tax profits for the six months to September rose 1.8 per cent to ¥15.7bn (\$189m) on a 0.6 per cent fall in sales to ¥199.8bn.

After-tax profits rose 1.8 per cent to ¥7.7bn.

Sales of cosmetics remained flat at ¥136.5bn, while toiletries declined 9.3 per cent to ¥45.1bn. The company said higher overseas procurement of ingredients and materials due to the high yen, contributed to profits.

For the year to March, Shiseido expected pre-tax profits of ¥35.5bn on sales of ¥401bn and after-tax profits of ¥15.3bn.

Shiseido said it was planning to raise some ¥64m by offering a 22.5 per cent stake in the company in the latest initial public offering to be floated on the Stock Exchange of Thailand.

Barclays de Zoete Wedd (Asia), lead manager, said yesterday that NPC would offer 70m new shares, of which between 27.5m and 31m would go to foreign investors, bringing the total number of shares to 810m.

NPC produces ethylene and propylene, used as feedstock for the plastics industry, at its upstream petrochemicals complex in Rayong on Thailand's eastern seaboard. The offer price has not yet been set but stockbrokers in Bangkok say the company plans to raise Bt1.5m (\$38.2m) to Bt1.7m to finance expansion of its plant.

The state Petroleum Authority of Thailand owns 49 per cent of the company, with the rest held by local investors.

Operating profit dipped by Nkr17m to Nkr298m as financial income "increased by Nkr45m to Nkr188m. Dyrø cut financial expenses by Nkr58m to Nkr245m as operating expenses rose by Nkr442m to Nkr3.98bn.

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## NOTICE OF REDEMPTION

To the Holders of

Woodside Financial Services Ltd.  
U.S.\$300,000,000 Guaranteed Floating Rate Notes due February 1997  
(the "Notes")

UNCONDITIONALLY GUARANTEED AS TO PAYMENT OF PRINCIPAL AND INTEREST BY

The Industrial Bank of Japan, Limited (the "Guarantor")

NOTICE IS HEREBY GIVEN that, pursuant to Condition 6(b) of the Notes, Woodside Financial Services Ltd. (the "Issuer") will redeem U.S.\$200,000,000 principal amount of the Notes on 30th November, 1993 at the redemption price of 100% of their principal amount. U.S.\$100,000,000 principal amount shall remain outstanding after said redemption on 30th November, 1993.

The serial numbers of the Notes drawn for redemption in accordance with Condition 6(b) of the Notes in the denomination of U.S.\$100,000 are as follows:

The serial numbers of the Notes due for redemption in accordance with Condition (b) of the Notes in the denomination of U.S.\$10,000 are as follows:																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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## INTERNATIONAL COMPANIES AND FINANCE

## Cost-cutting helps recovery at UAL and Delta

By Karen Zagor in New York

THE BENEFITS of cost-cutting measures were reflected in the earnings of United Airlines and Delta Airlines, two of the biggest US carriers, which posted sharply higher profits for the three months to September 30.

UAL, the parent company of United Airlines, posted third-quarter net income of \$149m, or \$5.74 a primary share.

Excluding extraordinary items, it earned \$158m, or \$6.16 in the latest quarter. This compares with earnings of \$6m, or 2 cents, in the same period of 1992.

Mr Stephen Wolf, chairman and chief executive, attributed the improved performance to the company's stringent cost-controlling measures, and to stronger revenues on its longer haul routes.

United's shorter haul operations faced intense competition from low-cost competitors, and produced a loss in the quarter.

"Despite the third-quarter profits, we will report a loss in the fourth quarter and for the year as a whole," Mr Wolf said.

UAL's operating income

soared to \$381m in the quarter, from \$49m a year earlier. Operating revenues were 11.6 per cent higher at \$3.89bn, while operating expenses rose 5.2 per cent to \$3.71bn.

Delta also attributed its improved performance to efforts to reduce expenses.

The company recorded net income of \$60.4m, or 65 cents, for its fiscal first quarter, compared with a net loss of \$125.2m, or \$3.07, last year. Including accounting charges, last year's reported net loss was \$712.3m, or \$14.88.

Delta's operating income for the latest quarter was \$121.5m before accounting charges, against an operating loss of \$194.7m a year earlier.

The airline's operating expenses dropped 5 per cent in the quarter, while revenue per available seat miles improved 3 per cent.

Mr Ronald Allen, Delta's chairman and chief operating officer, said: "We can celebrate the improvement but we can't relax. The profit we reported today is heartening because it shows we're on the right track, but it is inadequate by almost any other standard."

## Argentina rejects call to help Aerolíneas

By John Barham in Buenos Aires

ARGENTINA has rejected demands by Iberia, Spain's national airline, that it inject \$215m into loss-making Aerolíneas Argentinas, the privatised carrier operated by Iberia.

Mr Domingo Cavallo, economy minister, said: "The state will not make any capital contribution to Aerolíneas."

He told Iberia it should seek the \$500m in fresh capital it needs from Aerolíneas's private shareholders. Argentina's government still owns one third of Aerolíneas.

The company lost over \$300m in the financial year ending in June, against \$80m in 1992, contributing heavily to Iberia's severe losses this year.

Aerolíneas said it needed new funds to make good losses and finance acquisition of new aircraft, as required under its November 1990 privatisation contract.

However, Argentina's transport department said yesterday that "if the company has financial problems it should go bankrupt like any other company".

It added that if Aerolíneas failed to comply with its privatisation contract, the government would call in bank guarantees backing the investment plan.

Iberia owns 30 per cent of Aerolíneas and the Argentine government 33 per cent. Minority shareholders include two Spanish banks and several small local investors. Employees own 10 per cent of the company, although this stake is held in trust by the government.

The confrontation between Iberia and Mr Cavallo is the latest in a long battle over Aerolíneas that began with its privatisation three years ago, when the Iberia-led consortium paid \$1.87bn in cash and debt for equity swap for 85 per cent of the airline.

## Indupa seeks protection

By John Barham

ONE of Argentina's leading chemical companies has filed for protection from bank creditors. It owes them \$450m.

Indupa made the announcement after it decided not to sign a debt restructuring package with banks led by Banque Nationale de Paris and Banco Roberts, a local bank 30 per cent owned by Midland Bank.

The company's problems are blamed on poor management, high operating costs and low prices for its bulk chemical commodities. Sales in the financial year to June fell by

one third to \$64.3m and its net loss rose slightly to \$79.9m.

Argentina law gives troubled companies privileges similar to those under Chapter 11 of the US bankruptcy law. The Argentine code stipulates no term for debt repayment, but is under revision by the government.

One banker said: "Indupa negotiated a restructuring but then decided it was unable to sign when it realised that a 5 per cent fall in prices would cut \$9m a year in cashflow." Indupa shares have fallen by over a quarter since Wednesday.

## Ericsson a political outsider, says chief

By Hugh Carnegie in Stockholm

MR LARS RAMQVIST, chief executive of Ericsson, said yesterday the Swedish telecommunications group was losing orders around the world because it lacked the political connections of its American, Japanese and European rivals.

"We could easily double our revenues today if we had the same political and financial muscle as our competitors," he said.

He said Ericsson, which holds about 40 per cent of the world mobile telephone market, was having to spend about \$2bn a year, or 22 per cent of its sales, on research and development to keep up with fast-changing telecommunications technologies and markets.

"Frankly, 22 per cent is too high a number," he said. "We are scrambling here that we can expand the business enough to keep spending levels where they are."

Ericsson has grown rapidly this year on the back of soaring mobile telephone sales. It says it will double 1992 profits of SKr1.3bn (\$160m). Its share price has risen from SKr196 at the end of 1992 to more than SKr440, greatly strengthening the group's financial position.

Ericsson also swallows more than half of Sweden's export credit support. However, Mr Ramqvist warned that this was dwarfed by the financial and political support its rivals had access to.

He said Ericsson emerged recently as the lowest bidder for a large public fixed-telephone system in Saudi Arabia. Its bid of \$1.7bn was below those of AT&T of the US, Northern Telecom of Canada, Germany's Siemens, and Alcatel of France.

However, Mr Ramqvist said other factors such as political influence could swing the contract away from Ericsson.

He complained that outsiders still did not have free access in many markets, and were at a disadvantage in deals such as the Saudi contract, which involved heavy offset conditions. Agreement in the Uruguay Round of talks within the General Agreement on Tariffs and Trade was essential to Ericsson.

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## Seagram raises Time Warner stake to 6.8%

By Robert Gibbons in Montreal

SEAGRAM, one of the world's top four drinks groups, has raised its stake in Time Warner, entertainment group, to 6.8 per cent from 5.7 per cent.

The 4.6m additional Time Warner shares acquired cost Seagram about US\$195m, analysts said, bringing the total cost of its investment to nearly US\$900m.

Time Warner stock has risen from US\$38 in June to about US\$44 a share this week.

Mr Edgar Bronfman, senior chairman, said Seagram would invest about US\$28m for 18 per cent in Time Warner.

## US insurers lifted by absence of catastrophes

By Richard Waters in New York

US property/casualty insurers continued to benefit from the absence of big catastrophe losses this year, helping both American International Group and USF&G report stronger earnings for the third quarter.

However, the absence of devastating claims, such as those a year ago stemming from hurricane Andrew in the US, has prompted fears in some quarters that catastrophe insurance premiums are set to fall again next year.

Catastrophe losses at AIG amounted to \$47.3m compared with \$153.3m a year before. The turnaround helped the insurer to report third-quarter net income of \$45.1m or 1.42 a share, compared with \$38.9m

or \$1.06 a year ago.

USF&G, in figures released on Tuesday, said property/casualty operating profits had improved by \$3m over a year before, with the 1992 figure depressed by losses from hurricane Andrew. The insurer said net income had risen to \$20m in the latest period, from \$5m.

Mr Maurice Greenberg, AIG's chairman, said catastrophe losses during the third quarter stemmed mainly from flooding in the Midwest, the earthquake in Guam and typhoons in Japan.

AIG has taken steps to "reduce catastrophe exposures throughout our business and further tighten our underwriting standards," he said.

Higher reinsurance premiums for catastrophe business have attracted about \$4bn of

new capital into Bermuda-based companies this year.

However, Mr Greenberg said: "Even with this additional capacity, prices for catastrophe reinsurance should remain stable." He said that one year's claims experience would not be enough on its own to drive down premiums.

However, other industry executives say the improved performance will make it difficult for insurers to maintain catastrophe insurance premiums at current levels when negotiating rates for next year.

The insurers' results were bolstered by rising premiums in general property/casualty business. Mr Greenberg said premiums had firmed in many of AIG's overseas markets, and rates in property and specialty casualty classes

had improved in the US.

Mr Norman Blake, chairman and chief executive of USF&G, said the improved underwriting environment had helped to lift profitability, "despite the industry-wide impact of lower investment income due to interest rate reductions and higher reinsurance costs".

Pre-tax capital gains at AIG in the third quarter were \$25.4m, compared with \$36.8m a year before.

Leaving aside capital gains and catastrophe losses, pre-tax income rose by 13.7 per cent compared with a year earlier, the company said. Gross revenues climbed by 10 per cent to \$5.12bn, as general insurance premiums rose by 10 per cent and life insurance premiums were up 18 per cent.

AIG took a further \$90m

charge to cover an expected loss on investments at AIG Financial Products, its derivatives unit.

This follows a \$120m charge in the previous quarter.

The company, which has been one of the most ambitious and successful derivatives businesses outside the banking industry, was rocked by the departure of its founder, Mr Howard Sosin, earlier this year, along with other senior managers.

Mr Greenberg said that most of the unit's core management group remained, and that the business was "going forward strongly".

Pre-tax operating income in AIG's financial services businesses fell to \$98.7m, from \$99.6m.

## Fisher aims to give Kodak a sharper focus

Martin Dickson and Louise Kehoe report on the appointment at the photographic group

THE board of Eastman Kodak, the troubled US photographic products company, has achieved a big coup in wooing Mr George Fisher, the head of electronics group Motorola, to be its new chairman.

For the 52-year-old Mr Fisher, whose appointment was announced late on Wednesday night, is one of the most highly regarded managers in the US.

He has overseen a period of remarkable growth at Motorola which has turned the company into a global leader in the cellular telephone and paging markets, and the world's fourth biggest chip maker.

At Kodak, he replaces Mr Kay Whitmore, ousted because of the company's lacklustre financial performance.

His task will be to restore growth to a company facing mature markets and increasing competition for its film products, while groping for a strategy to cope with the global information revolution.

A short, articulate man with a modest manner and penchant for running five or six miles a day, he has been chief executive of Motorola since 1988 and chairman since 1990.

An engineer by background, with a doctorate in applied mathematics from Brown University, he began his career in research and development at American Telephone & Tele-

graph's Bell Laboratories, one of the world's foremost industrial R&D labs, and joined Motorola in 1976.

He is one of the leading US proponents of total quality management - the theory that businesses must concentrate on the highest quality in all aspects of their operations, and in meeting customer needs. Motorola is often held up as an example of the success that can be achieved through TQM.

He said yesterday that the fundamentals for success, be it at Motorola or Kodak, included "first and foremost, a focus on the customer, because they are the people who pay the bills... if you get that right, almost everything else follows."

Companies had to focus on cycle times - how quickly they did everything - and on leadership products: "products that customers want, not just products that technology can provide".

He is well known in Washington as the outgoing chairman of the private sector Council on Competitiveness, which has worked closely with the Clinton Administration in developing its industrial and trade policies.

His departure from Motorola shocked that company and the US electronics industry yesterday, prompting speculation over the reasons for his move. After all, he spurred IBM's



George Fisher: betting that Kodak is going to perform very well

advances earlier this year when the troubled computer company approached him about its chairmanship.

Mr Fisher himself explained that he saw Kodak as an extension of what he had been doing at Motorola - helping a company accelerate the information revolution.

Motorola was doing a great

Some analysts felt that pay may have had much to do with his decision.

Mr Fisher played down this idea. However, he did acknowledge that Kodak would be paying him much more than Motorola, provided it performed well.

"I'm betting that Kodak is going to perform very well," analysts speculated that he might have been feeling pressure at Motorola to make room for Mr Christopher Galvin, 43, the senior vice-president and grandson of the company's founder.

He is widely expected to become chief executive - though not necessarily immediately following Mr Fisher.

Mr Gary Tooker, the company's president, is to take over as interim chief executive until the Motorola board decides on the succession.

Whatever the reasons for his departure, there is no doubting Mr Fisher's track record at Motorola.

He has presided over five consecutive years of rapid sales and earnings growth and the company's stock has appreciated at a compound rate of 26 per cent.

Still, much of the credit for Motorola's success is often given to Mr Fisher's predecessor, Mr Robert Galvin, the son of company founder Paul Galvin and a dominant presence at the company as chairman of the board's executive committee.

Oil and gas earnings were virtually unchanged, with the stronger natural gas market making up for a slide in oil prices and volumes.

Noranda, controlled by the Toronto branch of the Bronfman family, earlier this year sold its 49 per cent stake in MacMillan Bloedel, the west coast forestry company.

## Unexpected advance at Xerox

By Karen Zagor in New York

XEROX, the US document processing group which has consistently disappointed Wall Street this year with its earnings performance, yesterday unveiled an unexpected improvement in third-quarter earnings.

The news spurred active trading in Xerox shares, which climbed \$5 to \$77.40 at mid-session.

Net income for the three months to September 30 rose 25 per cent to \$150m, or \$1.28 a primary share from \$121m, or \$1.07 the previous year. Revenues were flat at \$3.59bn.

Income from the core document processing business included a one-time tax credit

of \$23m, or 23 cents which contributed to the unit's profits of \$148m, or \$1.26 in the quarter. In the same period of last year, Xerox earned \$119m or \$1.05 from document processing.

Stripping out the extraordinary gain, earnings from the business grew 6 per cent in the latest quarter.

Mr Paul Allaire, chairman and chief executive, said equipment sales increased in the third quarter after two quarters of decline. "The increased sales in part reflected benefits from the realignment of the US sales force earlier this year and recent black-and-white copier introductions," he said.

The disruption wrought by Xerox's unexpectedly lengthy reorganisation of its sales force

contributed to the company's poor performance earlier this year.

Looking ahead, Mr Allaire expects earnings to remain under pressure from competitive pricing, a strong dollar and the economic environment in Europe and Brazil.

For the first nine months, earnings from document processing rose to \$384m, including a one-time Brazilian tax credit of \$17m, compared with \$346m a year ago.

Net income for the first nine months was \$451m or \$4.01 a share. A year earlier, Xerox posted a loss of \$284m, or \$3.49 including a special charge of \$784m for accounting changes. Revenues slipped to \$10.42bn from \$10.46bn.

## Noranda pushed into red by weaker metal prices

By Bernard Simon in Toronto

WEAK metal and forest products prices pushed Noranda, the Canadian resources group to a third-quarter loss.

The net loss was C\$8m (\$6.1m), or eight cents a share, compared with earnings of C\$26m, or six cents, a year earlier. Revenues dipped to C\$1.29bn from C\$1.40bn.

The worst setback was in the mining and metals division, where last year's earnings of C\$48m turned into a C\$10m loss.

The forest products division posted earnings of C\$10m, compared to breaking even last

year. A strong performance in the building materials market was partly offset by a further fall in pulp prices. Noranda said it expected no improvement in the pulp, newsprint or commodity papers market until well into 1994.

Oil and gas earnings were virtually unchanged, with the stronger natural gas market making up for a slide in oil prices and volumes.

Noranda, controlled by the Toronto branch of the Bronfman family, earlier this year sold its 49 per cent stake in MacMillan Bloedel, the west coast forestry company.

## MEDIOBANCA

PAIO UP CAPITAL LIT. 340 BILLION - RESERVES LIT. 2.337.7 BILLION  
HEAD OFFICE: VIA FILADAMATICA 10, MILANO  
REGISTERED AS A BANKING GROUP UNDER No. 10631.0

The Company's Annual General Meeting, held in Milan on 28th October 1993, adopted the following  
BALANCE SHEET AS AT 30TH JUNE 1993

LIABILITIES	Lit.	ASSETS	Lit.
Share capital	340,000,000,000	Legal assets	91,015,170
Reserves	1,483,000,000,000	Deposits with banks	10,150,000,000
Monetary provisions	41,000,000,000	Others	2,117,000,000
Monetary provisions reserve under Law 270/93	41,000,000,000	Government bonds, securities guaranteed by the Government and Government bonds	3,358,248,200,877
Credit provisions	623,000,000,000	Advances and other financial resources	14,911,678,129
Accumulated depreciation on fixed assets	1,377,684,371	Customers	797,900,677,396
Accumulated depreciation on intangible assets	234,084,782,291	Subsidiaries	17,823,138,139
Provisions for taxation	1,101,100,000,000	Subsidiaries	287,189,374,981
Credit provisions for default interest	2,055,951,323	Associated Companies	12,741,725,281
Time deposits and current accounts		Transactions subject to fiscal provisions of Presidential Decree 601/73	
Deposits		Customers	8,889,365,526,850
Current accounts	11,044,767,745,005	Associated Companies	2,701,000,000,000
Customers	437,833,609	Other institutions	
Subsidiaries	15,164,000,000	Customers	2,667,265,563,708
Associated Companies	2,408,048,436	Subsidiaries	1,969,096,235,772
Deposits subject to fiscal provisions of Art. 26, para. 2, Presidential Decree 600/73, and Art. 6 of Law 181/82		Customers	710,918,918,145
Customers	208,112,728	Subsidiaries	11,082,000,000
Subsidiaries	1,315,634,128,211	Default interest due	2,055,951,323
Loans from banks		Securities	11,082,000,000
Subsidiaries	1,232,311,887,500	Shares and stock units	16,546,587,317
Associated Companies	464,318,888,903	Associated Companies	9,391,000,000
Others	399,963,291,044	Other institutions	99,896,632,400
Bonds	5,911,000,000,000	Investments in Subsidiaries	40,170,000,000
Redemptions due to bondholders	481,394,423	Participations in underwriting syndicates	1,377,684,371
Provisions for taxation	15,467,125,993	Participations in underwriting syndicates	1,377,684,371
Creditors for bills held for collection	15,467,125,993	Bills held for collection	1,377,684,371
Accrued liabilities and deferred income	308,532,877,833	Securities	1,377,684,371
Profit brought forward	429,955,758	Securities	1,377,684,371
Profit for the year after allocation of Lit. 741,500,000,000 to Capital risk provision	200,130,568,367	Unamortised discounts and expenses on bonds issued	10,300,000,000
Creditors for loans agreed on a conditional basis	24,857,434,183,305	Loans agreed on a conditional basis	24,857,434,183,305
Creditors for amounts at their disposal under existing loan agreements	1,377,684,371	Amounts at disposal of customers under existing loan agreements	1,377,684,371
Creditors for amounts at their disposal under existing loan agreements	1,377,684,371	Unpaid calls	2,160,000,000
Creditors for underwriting syndicates	1,377,684,371	Participations in underwriting syndicates	1,377,684,371
Creditors for securities to be received	1,377,684,371	Participations in underwriting syndicates	1,377,684,371
Securities to be delivered	1,377,684,371	Participations in underwriting syndicates	1,377,684,371
Purchasers of securities subject to repurchase agreements	1,377,684,371	Participations in underwriting syndicates	1,377,684,371
Creditors for guarantees and other obligations	3,550,251,574	Participations in underwriting syndicates	1,377,684,371
	35,438,087,572,943	Participations in underwriting syndicates	1,377,684,371

As Ordinary Business it was resolved:  
1. to allocate Lit. 1.35 million to the Reserve;  
2. to pay a dividend of 20% i.e. Lit. 200 per share on all the Company's shares in issue and on the bonus shares to be issued pursuant to Extraordinary Resolution No. 1.  
As Extraordinary Business it was resolved:  
1. to increase the Company's share capital from Lit. 340 billion to Lit. 374 billion by means of a 1-for-10 bonus issue of 34 million new shares, raising the Monetary Provision Reserve to Lit. 41 billion;  
2. to increase the Company's share capital further from Lit. 374 billion to Lit. 476 billion by a rights issue (3-for-10) before the bonus issue of 102 million new shares at a price of Lit. 10,000.  
Lit. 3,000 of which represents a premium.  
The above Resolutions are subject to registration by the Court of Milan and the requisite legal consents. A prospectus will be published prior to the issue of the securities if required by law.  
The dividend of Lit. 200 per share will be payable as from 17th November 1993 on shares in issue. Dividends on the bonus shares will be payable as from the opening day of the rights issue period. All dividends will be payable upon surrender of Coupon No. 9 at the Company's Offices, Via Filadamatika 10, Milan, and branches in Italy of Banca Commerciale Italiana, Credito Italiano, Banca di Roma, and also at "Vestire l'Italia" in respect of shares administered by it, under current legal regulations.

New Issue These securities having been offered, this announcement appears as a matter of record only. October 28, 1993

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Repayments: October 28, 2003  
Listing: Frankfurt (Main)

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## Australian Air write-offs push Qantas into red

By Bruce Jacques  
In Sydney

**QANTAS**, Australia's state-controlled international airline, has slipped into the red in the first year following heavy write-offs associated with acquisition of the domestic carrier, Australian Airlines. Qantas, in which British Airways last year acquired a 25 per cent interest, turned a \$147.6m (US\$95.2m) pre-tax profit into a \$413.5m loss despite a revenue jump from \$4.02bn to \$4.51bn.

The chairman of Qantas, Mr Gary Pemberton, said yesterday the loss reflected abnormal provisions of \$344.4m (A\$45m abnormal profit previously), of which \$282.3m related to Australian Airlines.

Before abnormal provisions, earnings fell from \$102.6m to \$92.9m. The result, which included 10 months of Australian Airlines' operations, was after a jump from \$371.8m to \$444.7m in financing costs.

Mr Pemberton said Australian Airlines' domestic network added significant value to the group, but the write-offs represented the intangible

assets associated with the merger and the loss of the Australian brand.

He said over time the Australian acquisition would prove to be a turning point for Qantas. "Although many opportunities for cost reductions from the integration of activities have been taken, it is clear that the single-minded pursuit of rationalisation can have broader implications for customer service and revenue earning capacity," he said.

"There is no question that the demands and distractions of the merger have provided a window of opportunity for Qantas competitors."

Mr Pemberton said the partnership with British Airways had provided access to new markets and promised cost benefits for both companies.

He said the decision, earlier this year, by the Australian government to defer the proposed public flotation of its remaining shareholding in Qantas had afforded time to strengthen the group's financial performance.

The result excluded a \$36.7m tax credit, against a \$410m provision last year.

## All Nippon Airways has first reverse in 10 years

By Eniko Terazono  
In Tokyo

A FALL in passengers in both international and domestic flights hit All Nippon Airways, a leading Japanese airline, which reported falls in interim sales and profits for the first time in 10 years.

Unconsolidated pre-tax profits for the first half plunged 62.5 per cent to ¥6.5bn (\$69.9m) while sales declined 4.8 per cent to ¥404.4bn. After-tax profits dropped 80.8 per cent to ¥1.3bn.

Domestic passengers fell 5.7 per cent to 16.6m while the number of passengers on international routes fell 4.4 per cent to 770,882.

Mr Kazuhiko Komiya, managing director, said the com-

pany would have fallen into the red if it had not reduced depreciation costs by extending the assumed life of an aircraft to 13 years from 10 years.

While the year's appreciation against the dollar also supported ANA's profits by pushing down fuel costs, it also squeezed revenue from its international operations, forcing the company to suspend four international routes.

For the full year to March, the company expects a 82 per cent fall in pre-tax profits to ¥6bn on a 3.3 per cent decline in sales to ¥782bn.

ANA does not expect to make after-tax profits for the year, but said it will maintain its annual dividend of ¥4 per share.

## Foster's in A\$99m flotation of Elders

By Bruce Jacques

**ELDERS**, the Australian rural group once central to the corporate empire of Mr John Eildon, is being floated to the public through a A\$99m (US\$68m) offering.

The float, rumoured for some weeks, involves the sale for A\$311m of the Elders business by Foster's Brewing group, to a new company, Elders Australia Ltd.

The new company will offer A\$68.7m in shares at A\$1 each, with up to 30 per cent of the float reserved for sale to Australian farmers through the Farmers Investment Trust. A further 15m Elders shares will be offered to existing Foster's shareholders.

The transaction continues the sale of surplus assets by Foster's, now controlled by RHP, the Australian resources group. Foster's chief executive officer, Mr Ted Kunkel, said yesterday the sale price represented a book loss of about A\$10m, but this had already been provisioned.

The sale price involves A\$99m for the main Elders pastoral business, including wool-broking and livestock marketing, and a further A\$122m for the company's rural loan book.

Mr Kunkel said proceeds from the sale would be used to reduce Foster's debt, which fell from A\$4.1bn to A\$2.6bn in the latest June year. The sale excludes Elders' 45 per cent stake in Australian Meat Holdings, one of the country's biggest meat groups.

## FT in Taiwan

The Financial Times has signed an information co-operation agreement with the China Times Group of Taiwan. Under it, all newspapers in the China Times group will have access to editorial material from the FT. The agreement, the first between the FT and a newspaper group in Taiwan, was formally signed at a ceremony in Taipei yesterday.

## Profits dive at Hitachi, NEC and Toshiba

By Michiko Nakamoto  
In Tokyo

For Japan's comprehensive electronics companies, the first six months of fiscal 1993 were a race to cut costs and restructure their operations in a desperate bid to beat both the adverse impact of a surge in the yen's value and severe economic conditions at home.

The results announced yesterday for the period revealed that their efforts have not yet filtered through enough to combat the severe deterioration in their business environment.

Hitachi, NEC and Toshiba, which manufacture a wide range of products from semiconductors to telecommunications equipment, all reported declines in first-half pre-tax profits to the end of September. Mitsubishi Electric reported a strong rise in pre-tax profits but a 68 per cent reduction in operating profits.

Fujitsu, meanwhile, reported a larger loss and said that its full-year results would be worse than previously forecast.

During the period concerned, all five companies came under heavy pressure as the Japanese economy remained severely depressed and kept a lid on both private sector demand and personal consumption.

Demand by private businesses for computers, information processing systems and office automation products remained particularly weak.

Fujitsu, for example, saw a 21 per cent decline in sales of its computers and information

processing division. The sluggishness of demand for these products led to a deterioration in prices particularly for computers and office automation equipment.

For those companies with consumer electronics businesses, a continuing lack of interest in audio-visual products among consumers as well as a sharp drop in air conditioner sales due to an unusually cool summer, had a severe impact on profits. Air conditioner sales in Japan this year are down more than 1m units compared with last year.

were, as a result, subject to intense price cutting.

Meanwhile, in overseas markets, the near 20 per cent rise in the yen's value against the dollar was a harsh blow to their cost competitiveness and profitability which could not be entirely offset by short-term measures, such as foreign exchange hedging.

Toshiba, for one, noted that the yen's rise was a major factor in its 70 per cent drop in operating profits to ¥5.6bn (\$62.8m) from a previous ¥19.1bn. But the company was able to offset the drop with a

back of strong public sector demand and a buoyant market for semiconductors in the US.

Strong orders from utilities, for example, supported a 22 per cent rise in the heavy electricals business at Toshiba. At the same time, demand for products such as semiconductor memory chips rose strongly on demand from US computer makers.

Nevertheless, the general outlook for the industry remains bleak. Most companies do not expect the Japanese economy to recover significantly in the second half of the

employees next spring compared with a peak of 3,870 in 1991. Fujitsu is also reducing capital expenditure by about ¥100bn and R&D costs by about ¥10bn.

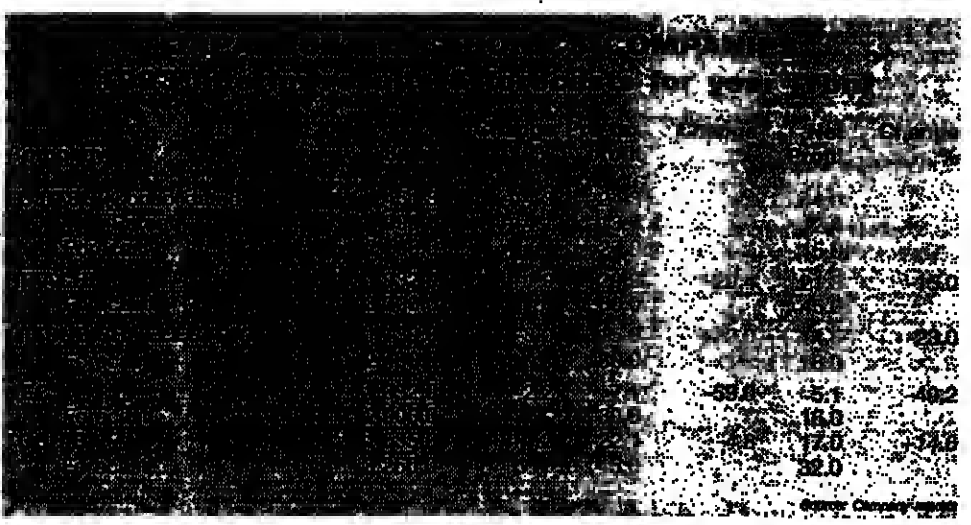
Hitachi is reducing its workforce by 2,000 by the end of March through transfers and natural attrition, in addition to a reduction of 2,500 in the past year.

In contrast, Toshiba is taking a more moderate approach to cost-cutting. While Toshiba aims to reduce its workforce by 5,000 over five years, it is still recruiting 1,800 people next year compared with a peak of 3,000 earlier in the decade. Neither is the company planning to reduce capital expenditure or R&D costs this year.

Another way in which Japanese electronics companies are trying to reduce costs is by buying more components and even complete products from overseas. Fujitsu, for example, is planning to double procurement of foreign parts by 1995. NEC, for its part, will for the first time develop and manufacture some of its PCs for the Japanese market in Hong Kong. NEC also plans to increase the proportion of foreign-made components in its mainline PCs made for the domestic market from 30 per cent to 50 per cent.

In the longer run, however, efforts to reduce costs will also have to be supported further by development of higher value-added products.

Even amid the general downturn, Toshiba, for example, saw strong demand for its colour liquid crystal display and book PCs in the US, which increased its PC sales in the US by 30 per cent.



Mitsubishi reported a 14 per cent decline in sales in its consumer products division while Toshiba saw its sales in consumer electronics slump 12 per cent. The depressed consumer electronics market in turn affected demand for devices made by many of the large electronics companies, which

foreign exchange gain of ¥20bn through forward contracts.

The performance of the comprehensive electronics companies would have been significantly worse, however, had it not been for their ability to offset declines in some of their core businesses with increases in other business areas on the

fiscal year. Their main hope in lifting profits thus lies in their cost-cutting efforts, which are being carried out across the industry in varying degrees.

Fujitsu, for example, is hoping to reduce its workforce by 6,000 over the next two years through natural attrition. The company is recruiting just 300

## Oki Electric passes payout

By Michiko Nakamoto

**OKI Electric**, the Japanese communications equipment maker, reported a loss of ¥6.5bn (\$66.6m) in the first half of the year and passed its dividend. The company blamed its poor performance on continuing weakness in private businesses demand and personal consumption, as well as the sharp appreciation of the yen.

The loss came on sales of ¥264.1bn, 2.2 per cent down on the previous first half. OKI's pre-tax losses were lower than last year's first-half losses of ¥19.3bn.

The company said it was able to con-

tain losses through cost-cutting efforts. However, the net loss of ¥12.4bn was worse than its previous loss of ¥8.7bn.

OKI, which has close ties with NTT, the telecommunications group, saw substantial declines in its communications equipment and information processing divisions. This was blamed on private business moves to cut capital spending. Strong demand for memory chips, on the other hand, helped raise sales in its electronic devices division.

OKI is forecasting a pre-tax loss of ¥8bn on sales of ¥6,550bn for the full year to March 1994.

## Drop in demand hits NSK

By William Dawkins in Tokyo

**NSK**, Japan's leading producer of ball bearings, yesterday reported a sharp decline in taxable profits for the six months to September, and reduced its earnings forecast for the year.

It attributed the setback to a fall in demand from carmaking customers. However, NSK avoided falling into loss thanks to the sale of securities, a technique used by several industrial companies to tide them through the recession.

Taxable profits fell by 47.5 per cent from the first half of the previous year, to ¥14.7bn on sales down by 7.9 per cent

to ¥162.73bn over the same period.

Operating profits fell even more sharply, by 84.3 per cent to ¥722m (\$8.6m), reflecting high fixed costs and the fact that NSK's plants were only able to operate at between 80 and 85 per cent of capacity.

NSK's security sales brought in a ¥2bn capital gain, on top of which it earned another ¥2bn in dividends from affiliate companies.

Operating profits will recover in the second half, thanks to cost-cutting efforts, but taxable profits for the year will be only ¥3.5bn, down from ¥4.16bn in the previous year and well below the group's ¥4.1bn forecast.

## Issue of FF 3.5 billion of convertible bonds

BSN shareholders have a priority right between October 27th, 1993 and November 8th, 1993 to subscribe on the basis of one convertible bond for every 20 shares held.

■ Global principal amount : FF 3,502 billion ■ Issue price : FF 1,015 ■ Final maturity : January 1, 2002 (8 years 1 month 9 days) ■ Interest : 3 % per annum (ie FF 30.45 per bond) payable annually in arrears on January 1 each year, commencing in January 1, 1995 ■ Yield to maturity : 5.25 % (in the case of non-conversion) ■ Normal redemption : at FF 1,239 (ie 122.1 % of the issue price) on January 1, 2002. ■ Early redemption : at the option of the company by purchase of the bonds on the stock exchange or under the terms and conditions set out in the prospectus ■ Listing : Paris stock exchange ■ Conversion into shares : at any time from January 1, 1994, at the rate of one share for one convertible bond.

The prospectus stamped by the CGB on October 27, 1993 is available free of charge from October 27, 1993 at the headquarters of BSN Investors Relations - 7 rue de Valenciennes 75008 PARIS - BALD of October 27, 1993.

BSN GROUPE

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By The Citicorp National Bank, N.A., New York, New York  
October 23, 1993

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By The Citicorp National Bank, N.A., New York, New York  
October 23, 1993

DAIWA INDIAN FINANCE (CAYMAN) LIMITED  
U.S. \$300,000,000  
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Interest payable on the relevant interest payment date January 31, 1994 against Coupon No. 34 will be U.S. \$102.21 and U.S. \$2,217.21 respectively for Notes in denominations of U.S. \$100,000 and U.S. \$250,000. The sum of U.S. \$102.21 will be payable per U.S. \$100,000 principal amount of Registered Notes.  
By The Citicorp National Bank, N.A., New York, New York  
October 23, 1993

BANQUE NATIONALE DE PARIS  
USD 250,000,000  
floating rate due 1997  
Interest payable on the relevant interest payment date January 31, 1994 against Coupon No. 34 will be U.S. \$102.21 and U.S. \$2,217.21 respectively for Notes in denominations of U.S. \$100,000 and U.S. \$250,000. The sum of U.S. \$102.21 will be payable per U.S. \$100,000 principal amount of Registered Notes.  
By The Citicorp National Bank, N.A., New York, New York  
October 23, 1993

U.S. \$200,000,000  
**Credit du Nord**  
Floating Rate Notes due 1997  
Interest payable on the relevant interest payment date January 31, 1994 against Coupon No. 34 will be U.S. \$102.21 and U.S. \$2,217.21 respectively for Notes in denominations of U.S. \$100,000 and U.S. \$250,000. The sum of U.S. \$102.21 will be payable per U.S. \$100,000 principal amount of Registered Notes.  
By The Citicorp National Bank, N.A., New York, New York  
October 23, 1993

**RAND MINES LIMITED**

NOTICE FOR HOLDERS OF SHARE WARRANTS TO BEARER  
PROPOSED SUB-DIVISION OF ORDINARY SHARES

1. Notice convening a general meeting of shareholders

Njole is hereby given that a general meeting of shareholders of Rand Mines will be held at 14:30 on Tuesday, 23 November 1993 in the board room, First Floor, Randco House, 21 Chapelin Road, Illovo, Johannesburg for the purpose of proposing, considering and, if deemed fit, passing with or without modification, the resolutions set out below.

Special resolution

"Resolved that, with effect from Monday, 29 November 1993, or such later date as may be determined by the directors of Rand Mines Limited and approved by The Johannesburg Stock Exchange:

- each of the 20 000 000 ordinary shares of R1 each in the authorised share capital of Rand Mines Limited be and is hereby sub-divided into 4 ordinary shares of 25 cents each, resulting in an authorised share capital of R20 000 000 divided into 80 000 000 ordinary shares of 25 cents each; and
- each of the 14 910 305 ordinary shares of R1 each in the issued share capital of Rand Mines Limited be and is hereby sub-divided into 4 ordinary shares of 25 cents each, resulting in an issued share capital of R14 910 305 divided into 59 641 220 ordinary shares of 25 cents each."

Ordinary resolution

"Resolved that, subject to the passing and registration of the special resolution, all the authorised but unissued shares in Rand Mines Limited be and they are hereby placed under the control of the directors, and that the directors be and are hereby authorised to allot and issue those shares at any time and on such terms and conditions as they deem fit, subject to the provisions of section 221 of the Companies Act (No 61 of 1973, as amended), and the requirements of The Johannesburg Stock Exchange."

The reason for the special resolution is to sub-divide each ordinary share of R1 each in the ordinary share capital of Rand Mines into 4 ordinary shares of 25 cents each in order to increase the accessibility and marketability of Rand Mines' ordinary shares and to reduce the number of odd-lot shareholdings of Rand Mines' ordinary shares resulting from the distribution of Rand Mines' ordinary shares by Randco House Limited to its shareholders. The effect of the special resolution will be to reduce the market price of each ordinary share in Rand Mines to approximately a quarter of the market price prior to the sub-division.

A shareholder entitled to attend and vote at the general meeting may appoint a proxy to attend and speak and, on a poll, to vote in his stead. A proxy need not be a member of Rand Mines.

A form of proxy, in which are set out the relevant instructions for its completion, is available upon request for the use of a shareholder who wishes to be represented at the meeting. Completion of the form of proxy will not preclude a shareholder from attending and voting (in preference to the shareholder's proxy) at the meeting.

Attention is drawn to the fact that, if it is to be effective, a completed proxy form must reach the transfer secretaries in Johannesburg or the United Kingdom registrars (at the respective addresses set out below) at least 48 hours (Saturdays, Sundays and public holidays excluded) before the time appointed for the holding of the meeting, being before 14:30 on Friday, 18 November 1993.

The holder of a share warrant to bearer who desires to be represented at the meeting must produce his share warrant or alternatively if he is a resident of the United Kingdom, he may produce a certificate of his holding from a broker or other approved person, at the bearer reception office of the United Kingdom registrars at least five days before the date appointed for the holding of the meeting and shall otherwise comply with the "Conditions governing share warrants" currently in force. Thereupon, an attendance form or a proxy form under which such share warrant holder may be represented at the meeting will be issued.

By order of the board  
RANDCOAL SERVICES LIMITED  
Secretaries per J W Coacher

Johannesburg  
28 October 1993

REGISTERED OFFICE  
Randco House  
21 Chapelin Road  
Illovo 2196  
Johannesburg  
(P O Box 78681, Sandton, 2146)

UNITED KINGDOM SECRETARIES  
Viduct Corporate Services Limited  
19 Charterhouse Street  
London EC3N 8QP

2. Procedures for the endorsement of share warrants to bearer

Subject to shareholders' approval of the sub-division of ordinary shares of R1 each, it will be necessary to recall all existing share warrants to bearer to endorse them to reflect the new nominal value of ordinary shares.

To facilitate the timely receipt of the endorsed share warrants, warrant holders who do not wish to deal in their share warrants before Monday 29 November 1993 are requested to surrender their existing share warrants representing ordinary shares of R1 each.

Copies of a Rand Mines circular to shareholders dated 28 October 1993 relating to the proposed sub-division of ordinary shares, together with the requisite surrender forms, are available for collection from:-

UNITED KINGDOM REGISTRARS  
Barclays Registrars  
Beacon House, 34 Beconham Road  
Beckenham, Kent BR3 4TU

BEARER RECEPTION OFFICE  
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#### NOTICE OF DIVIDEND PAYMENT: ON BEARER SHARES

Payment will be made on Barclays Investment Funds (Luxembourg) on or after the 31st October 1993 (a-Dividend 31st July 1993) at the following rate per share:

European Equity - GBP 0.0027 International Bond - USD 5.207  
UK Equity - GBP 0.0192 International Equity - GBP 0.0088

The dividend will be payable on surrender of coupon no. 4.

The following is a list of paying agents for bearer certificates and coupons.  
Banque Internationale à Luxembourg S.A., Boite postale 2205, 3 boulevard Royal, Luxembourg.

Barclays Private Bank & Trust Limited, P.O. Box 82, 3941 Broad Street, St. Helier, Jersey, Channel Islands.

Barclays International Fund Managers, c/o Barclays Bank PLC Hong Kong, 18th Floor, Two Pacific Place, 88 Queensway, Hong Kong.

\* Barclays Bank PLC Stock Exchange Services Dept., 168 Fenchurch Street, London EC3P 3HP United Kingdom

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## Country Casuals declines to £117,000

By Peter Franklin

COUNTRY CASUALS, the women's wear group that in April acquired one of its suppliers - House of Leros - in a £10.8m agreed offer, yesterday announced pre-tax profits down from £405,000 to £117,000 for the six months to July 24.

Mr John Shannon, chairman, said the downturn was largely due to the current economic environment and the costs associated with the setting up of the Wild Women chain - now trading as Koto.

Turnover, boosted by an £882,000 contribution from new operations, grew to £16.6m (£14.8m). The pre-tax outcome was bolstered by net interest income up from £12,000 to £108,000.

Mr Shannon said the group retained a strong balance sheet, with a net cash position after borrowings of £3.2m.

An interim dividend of 1.4p is declared, uncovered by earnings per share of 0.41p (1.88p).

The Country Casuals spring/summer collection was launched in a difficult economic environment, Mr Shannon said, and for the first time the company had seen its core customer base reacting to the recession by purchasing fewer units per transaction.

However, the autumn/winter collection had made a good start, with a high level of sales growth compared with that of last year.

The Wild Women chain was



John Shannon (left) with Mark Bunce, finance and strategy director, targeting the Elvi brand for expansion

formed in the final quarter of last year as a 100 per cent subsidiary of Country Casuals with Ted Baker supplying merchandise and design. However, the "aspirations of the two parties proved incompatible", Mr Shannon said, which caused operational problems in the shops.

The design and supply of merchandise has now been brought in-house and the name changed to Koto, said Mr Shannon, and stock throughput had increased dramatically.

The Elvi brand was targeted for expansion over the next 18 months with a further 20 to 30 shops planned, while the Leros Manufacturing business was also trading well, he said.

The company planned, however, to run down the wholesale operations of Leros to concentrate on the group's main objective of brand retailing. It was also intended to dispose of or close the textile printing operation in the Netherlands.

## Manchester City chief spurns approach

Mr Peter Swales, chairman of Manchester City Football Club, yesterday dismissed an approach for the Premier League club from a consortium led by Mr Francis Lee, the former England international.

Speaking at the club's annual meeting, Mr Swales said a proposal from the consortium was received on Tuesday.

"It contains a number of conditions and does not involve a proposed offer to all shareholders," he said.

It fell "well short" of reflecting the full value of the club, Mr Swales added.

He reiterated that other parties remained interested. The club has appointed Henry Ausbacher to "establish the nature of their interest".

## ICI Australia up after restructure

By Bruce Jacques in Sydney

ICI AUSTRALIA, the chemical group controlled by Imperial Chemical Industries, announced increased profits and dividends after a year of restructuring.

The company lifted net profits by 39 per cent, from A\$85.4m to A\$118.9m (£50.5m), in the year to September on turnover ahead from A\$2.77bn to A\$3.53bn. The annual dividend goes up from 18 cents to 23 cents.

Directors said the result came against a background of low economic activity in the company's main markets. "The improved profitability reflects the ongoing benefits of restructuring and of increased productivity," they said.

"Trading conditions in 1994 are likely to be similar to those of the past year, with most markets reflecting continued modest recovery. Improvement in prices for some key products, notably plastics, depends on recovery in international markets."

The plastics division reduced its pre-tax loss from A\$35m to A\$24m, with chemicals operations lifting their contribution from A\$73m to A\$80m, but fertilisers easing from A\$4m to A\$32m.

The consumer products division increased profits from A\$124m to A\$139m. The overall result was after tax of A\$65.6m (£28.3m). Depreciation took A\$117.9m (£51.26m) and net interest payable was down from A\$40.9m to A\$36.9m.

## Invergordon gives way to W&M's 300p offer

By Philip Rawstone

INVERGORDON Distillers, the Scotch whisky producer, yesterday bowed to the inevitable and recommended shareholders to accept the offer from Whyte & Mackay, the UK drinks subsidiary of American Brands.

Mr James Miller, Invergordon's chairman, said the board still considered that the offer price of 300p failed to recognise the strategic value to W&M of the business.

However, control of the company had passed to W&M which, with its purchase of a 13.5 per cent stake from Fleming Investment Management, had raised its shareholding to 54.7 per cent.

"It is unfortunate, therefore, that in all the circumstances the board has to recommend shareholders to accept the offer rather than remain in a minority position."

After discussions between Invergordon and W&M, the offer has been amended to include a loan note alternative which may provide shareholders with an opportunity to defer any UK capital gains tax payable.

Mr Chris Greig, managing director, Mr Geoffrey Whitaker, sales and marketing director, and Mr Edward Pickard, finance director, who in total hold about 7m shares, or 6.5 per cent of the company, intend to accept the offer.

It is not yet clear whether any of the three, who are employed on three-year rolling contracts, will remain with Invergordon.

Mr Greig, who has led the group since the 1988 management buy-out from Hawker Siddeley, said yesterday, "If I were to be offered an opportunity to make a worthwhile contribution to the future of the group, I would give it full consideration."

Five directors, nominated by W&M, will be appointed to the Invergordon board next week. Mr Miller said that he and two other non-executive directors would resign as soon as they were satisfied they had discharged their responsibilities.

## Scottish & Newcastle

Scottish & Newcastle announced that more than 93 per cent of its rights issue of 108.7m units of convertible non-interest-bearing subordinated unsecured loan stock had been taken up. Subscribers have been procured for the balance at a premium.

## Asset growth at Mezzanine Cap

By Philip Coggan, Personal Finance Editor

MEZZANINE Capital & Income Trust 2001, a split capital investment trust which invests in US debt and unquoted equities, yesterday declared a 10 per cent increase in its interim dividend to 8.5p.

The capital shares of the trust were the best performing of all investment trust shares over the five years to October 1 with growth of 307.6 per cent (mid-market to mid-market with income reinvested). The net asset value per capital share rose by 7.1 per cent from 255.3p to 273.4p over the six months to September 30.

The trust paid a special interim dividend of 4p during the first half following the flotation of American Safety

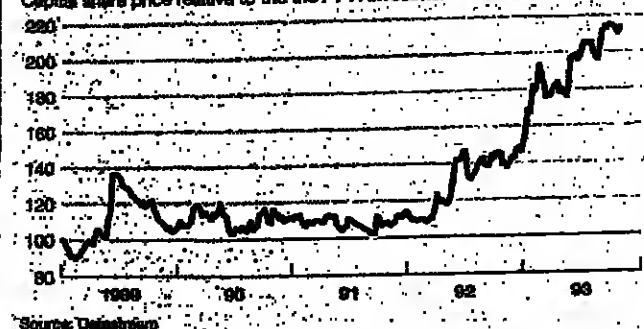
Razor, one of Mezzanine's highly concentrated portfolio of investments. Mezzanine also realised its equity holding in Custom Chrome, which supplies accessories for motor cycles.

In June, the trust, which is managed by Jordon Zalusnik Advisers, invested \$9m (£5.9m) in LePage, a tape manufacturer.

Earnings per income share were 6.96p (5.23p) and net assets per income share at the end of September were 122.7p. The trust has an unusual split between the rights of capital and income shareholders. The first 100p of assets goes to those who own capital shares; the next 100p to income shares; after that 90 per cent goes to the capital and 10 per cent to the income shareholders.

#### Mezzanine Capital Investment Trust

Capital share price relative to the FT-A Investment Trust sector (2001)



## Bristol Scotts cuts deficit

BRISTOL SCOTTS, which owns the Bristol Stadium and is involved in property development and restaurants, reduced pre-tax losses from £500,000 to £116,000 in the first half of 1993.

The result was achieved despite a fall in turnover to £4.1m (£5.09m).

Mr Anthony Kerman, chairman, said that most of the Eastgate Retail Park rent reviews had been completed, with rents rising on average by 28 per cent. On the residential side, the company intended to dispose of properties when the time was right.

Greyhound racing and open markets continued to trade successfully but the restaurant side continued in loss. Steps had been taken which Mr Kerman anticipated would eliminate losses from that source by the year end.

Losses per share were reduced to 1.88p (9.07p).

## Thos Cook expands in Germany

THOMAS COOK, the world's largest travel agency, has expanded in Germany with the purchase of Auto-Fischer, a leisure travel company operating in the north-west of the country.

Thomas Cook, which is controlled by Westdeutsche Landesbank, would not reveal the purchase price.

It said that the move was part of a strategy to expand in continental Europe generally, particularly in Germany, regarded as a core market, and also in Switzerland, Sweden and France.

The company said it regarded these as "key markets" for expansion.

The acquisition will add 28 offices to Thomas Cook's overall operation which encompasses 2,000 worldwide franchises and representative offices in 120 countries employing 12,000 people, of which 7,000 are in the UK.

#### SOCIÉTÉS DE DÉVELOPPEMENT REGIONAL ECU 20.000.000 TRANCHE B 11 5/8 % 1983/1995

We inform the bondholders that the redemption instalment of ECU 4,000,000, nominal due on December 20, 1993, has been satisfied by a drawing on October 22, 1993, in Luxembourg.

These 4,000 bonds of ECU 1,000 will be reimbursed at par on December 20, 1993, coupon due on December 20, 1994 and following attached, according to the modalities of payment on the bonds.

Serial numbers of the Bonds to be redeemed are set forth below on group from one number to another number both inclusive:  
14110 - 18109

The followings bonds called for redemption on December 20, 1991 have not yet been presented for the payment:

10480 - 10481	10522 - 10528	12113 - 12115	12171 - 12174
12328 - 12330	12788	13761 - 13787	

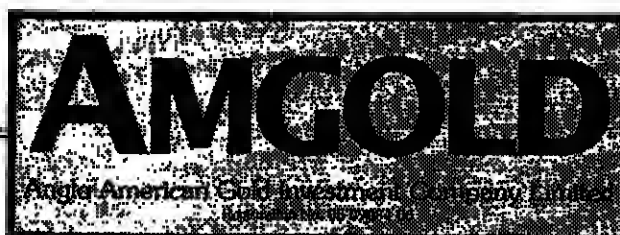
The following bonds called for redemption on December 20, 1992 has not yet been presented for the payment:

691 - 896	898 - 899	919 - 922	933
937 - 940	994 - 996	1001	1005-1006
1015 - 1018	1028 - 1029	1127 - 1132	1238 - 1287
1284 - 1287	1289 - 1304	1388 - 1391	1437 - 1439
1468 - 1487	1528 - 1529	1574 - 1679	1584
1686 - 1697	1608 - 1611	1625 - 1644	1651 - 1657
1711 - 1714	1737 - 1739	1741 - 1742	1767 - 1767
1772 - 1773	1775 - 1777	1791 - 1800	1822 - 1830
1847 - 1849	1858 - 1871	1873 - 1897	1920 - 1934
1987 - 2010	2136 - 2138	2151 - 2152	2167 - 2178
2202 - 2215	2325 - 2326	2374 - 2375	2384 - 2390
2393 - 2399	2409 - 2410	2421 - 2440	2452 - 2470
2476 - 2480	2525 - 2580	2594 - 2585	2623 - 2624
2654 - 2658	2676 - 2680	2686	2701 - 2704
2736 - 2739	2777 - 2782	2844 - 2846	2862 - 2889
3056 - 3059	3190	3211 - 3216	3222
3224	3228	3230 - 3273	3230 - 3273
3357 - 3363	3401 - 3405	3422 - 3424	3429 - 3441
3448 - 3452	3502 - 3504	3579 - 3581	3674 - 3682
3716 - 3719	3756 - 3757	3760	3816 - 3817
3830 - 3833	3841 - 3842	3952 - 3956	3965 - 3968
4040 - 4042	4046 - 4047	4207 - 4208	4216 - 4219
4222 - 4229	4232 - 4239	4315 - 4316	4321
4384 - 4404	4408 - 4409	4506 - 4516	4520 - 4529
4644 - 4645	4661 - 4670	4673 - 4687	4713 - 4714
4839 - 4861	4869	4871 - 4880	

Amount outstanding after December 20, 1993: ECU 8,000,000

THE PRINCIPAL PAYING AGENT

SOGENAL  
SOCIÉTÉ GÉNÉRALE GROUP  
15, Avenue Emile Reuter - LUXEMBOURG



#### Interim results and dividend announcement for the six months ended 30 September 1993 (unaudited)

(R million)	Six months ended 30.9.93	Six months ended 30.9.92	Year ended 31.3.93
Investment income	151.2	127.2	233.4
Interest earned and other income	26.7	30.8	59.1
Surplus on realisation of investments	63.1	10.0	15.4
	241.0	168.0	307.9
Administration and other expenses	3.3	2.6	4.8
Cost of prospecting	10.7	14.6	35.0
Grants - educational and welfare	4.3	4.0	5.5
Provision against investments and loans	-	-	15.0
	16.3	21.4	60.3
Net Income before taxation	222.7	146.6	247.6
Taxation	-	-	-
Net Income	222.7	146.6	247.6
Earnings per share - cents	922	607	1 025
Dividends per share - cents			
- interim	625	525	525
- final	-	-	500

**DIVIDEND**  
Dividend No. 91 of 625 cents per share has been declared payable on Friday, 17 December 1993 to shareholders registered at the close of business of Friday, 12 November 1993. The register of members will be closed from Saturday, 13 November 1993 to Saturday, 20 November 1993. The conditions relating to the dividend may be inspected at the Head Office and London Office of the company.

Copies of the full interim results are available from the Johannesburg and London Offices.

Head Office  
44 Main Street  
Johannesburg 2001  
28 October 1993



London Office  
19 Charterhouse Street  
London EC1N 6QP

#### FIDELITY PACIFIC FUND SA

Société Anonyme  
Incorporated under the laws of Panama

Notice is hereby given that the Extraordinary Meeting of the shareholders of Fidelity Pacific Fund SA ("the Corporation") will be held at Kansallis House, Place de l'Etoile, BP 2174, L-1021 LUXEMBOURG on November 8, 1993 at 10.00 am for the following purpose:

#### AGENDA

"Upon the recommendation of the Board of Directors, to amend Article SIXTH of the Corporation's Charter such that the Corporation may be dissolved by a simple majority of shareholders representing the total number of outstanding shares of the Corporation so that the amended article reads as follows: SIXTH: The duration of the Corporation shall be perpetual but it may be dissolved at any time for any of the reasons provided by law or whenever so resolved at a shareholder's meeting by the vote of a majority of shareholders representing a majority of the total number of outstanding shares of the Corporation."

Approval of the above item of the agenda will require the affirmative vote of the simple majority of the voting shares of the Corporation present or represented at the meeting.

Each share is entitled to one vote.

Holders of registered shares may vote by proxy by mailing a form of proxy obtained from Fidelity Investments Luxembourg SA, the Fund's registrar and transfer agent, to the following address:

Fidelity Pacific Fund SA  
c/o Fidelity Investments Luxembourg SA  
Kansallis House  
Place de l'Etoile  
BP 2174  
L-1021 LUXEMBOURG

Holders of bearer shares may vote by proxy by obtaining from the above institution a form of bearer shareholders proxy, certificate of deposit and receipt for bearer share certificates, against deposit of their bearer share certificates, and mailing the proxy and certificate of deposit to the Corporation at the address set forth in the preceding paragraph. Alternatively, holders of bearer shares wishing to exercise their rights personally at the meeting may deposit their share certificates, or a certificate of deposit therefore, with the Corporation at the address set forth in the preceding paragraph, against receipt therefore which receipt will entitle said bearer shareholders to exercise such rights.

All proxies (and certificates of deposits issued to bearer shareholders) must be received by the Corporation at the registered office of the Registrar not later than 5.00 p.m. (Luxembourg time) on November 5, 1993 in order to be used at the meeting.

Dated: October 27, 1993

By order of the Board.



#### Daily Gold Fax - free sample

from Gold Fax, a Ltd.  
Financial Times Group Ltd.  
London EC1N 6QP

to: Anne Whitley  
Tel: 021-724-2121  
Fax: 021-429-2266  
e-mail: awhitley@ft.com















**INVESTMENT TRUSTS - Cont.**[illegible]



INVESTMENT TRUSTS - Cont.

Trust Name	Price	Change	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	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## CURRENCIES, MONEY AND CAPITAL MARKETS

## FOREIGN EXCHANGE

## Dollar swings after GDP data

THE data on US economic growth eagerly awaited all week by international investors caused few surprises. But the dollar subsequently swung sharply against the D-Mark reflecting comments from the Bundesbank and the US Federal Reserve.

Elsewhere, the French franc weakened the Portuguese escudo was supported by intervention and sterling gained ground.

US Gross Domestic Product showed a rise of 2.8 per cent in the third on an annualised basis.

This was slightly higher than the broad consensus figure of 2.7 per cent but the range of forecasts was wide and there was nothing to justify a significant shift in the US currency.

When the statistics were released, however, the dollar jumped a penny to hit a high of DM1.824. It appeared that some relief over the data was compounded by a comment from Mr Edgar Meister, a member of the German Bundesbank council, suggesting that lower German interest rates were still on the agenda. This defused the impact of comments on Wednesday by Mr Hans Tietmeyer, the head of

the Bundesbank, who said he saw no reason for a further rate cut for the time being.

Shortly afterwards, a Federal Reserve official said the growth rate for GDP in the fourth quarter was likely to be lower than in the third. Many economists had expected a steady rise and the comments sent the dollar back to close at DM1.8235 from DM1.8205.

The German currency was broadly stronger in Europe as a result of technical adjustments and political factors although it lost some strength after Mr Meister's comments.

The D-Mark rose above FF3.50 against the French franc. Worries that the Air France strike would spill over into other areas of the public sector were compounded by growing doubts over the leadership of Mr Edouard Balladur, the Conservative prime minister. A French public opinion poll taken before Mr Balladur conceded to Air France union

demands showed that only 48 per cent of those asked approved of him rather than 56 per cent a month earlier.

Also, there are worries over French unemployment ahead of due tomorrow. The franc closed at FF3.4990 to the D-Mark, down from FF3.4970.

The D-Mark gained against the lira as the Italian government called a confidence vote on a minimum tax for the self-employed. The lira hit L976.50 to the D-Mark and closed at L972.0 down from L971.4.

The Portuguese escudo was also under pressure and the Portuguese central bank was said to be intervening to support the currency around Esc103 to the D-Mark.

Sterling rose but failed to break through DM2.50. There were suggestions that German bond funds which have big holdings of gilts might have been hedging their investments by selling the pound.

## EMS EUROPEAN CURRENCY UNIT RATES

	Unit	Rate	% Change	% Spread	Divergence
Deutsch Mark	1.93627	2.14794	-2.22	0.00	0.00
French Franc	1.36633	1.93627	-1.89	3.85	0.00
Italian Lira	1.93627	1.93627	0.00	0.00	0.00
Spanish Peseta	166.639	1.93627	-1.89	3.85	0.00
Portuguese Escudo	200.482	1.93627	-1.89	3.85	0.00
Belgian Franc	40.339	1.93627	-1.89	3.85	0.00
Swiss Franc	1.455	1.93627	-1.89	3.85	0.00
British Pound	1.93627	1.93627	0.00	0.00	0.00

US central rates set by the European Commission. Converter rates are in descending order of strength. Percentage changes are for the last 24 hours. Spread is the difference between the bid and ask rates. Divergence is the difference between the bid and ask rates. The percentage difference between the actual market and the central bank rate for a currency, and the maximum permitted percentage deviation of the currency's market rate from its central bank rate.

Shaded cells indicate currencies which are not in the EMS. Shaded cells indicate currencies which are not in the EMS.

Source: European Central Bank. Last updated: 15:00 GMT, 29 October 1993.

Forward premiums and discounts apply to the US dollar.

Source: European Central Bank. Last updated: 15:00 GMT, 29 October 1993.

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WORLD STOCK MARKETS

ASIA		
October 28	High	Low
Bank of China	1.70	1.68
Bank of Communications	1.60	1.58
Bank of East Asia	1.50	1.48
Bank of Industrial Bank	1.40	1.38
Bank of Japan	1.30	1.28
Bank of Korea	1.20	1.18
Bank of Singapore	1.10	1.08
Bank of Taiwan	1.00	0.98
Bank of Thailand	0.90	0.88
Bank of Vietnam	0.80	0.78
Bank of Yunnan	0.70	0.68
Bank of Zhejiang	0.60	0.58
Bank of China (H)	0.50	0.48
Bank of Communications (H)	0.40	0.38
Bank of East Asia (H)	0.30	0.28
Bank of Industrial Bank (H)	0.20	0.18
Bank of Japan (H)	0.10	0.08
Bank of Korea (H)	0.00	-0.02
Bank of Singapore (H)	-0.10	-0.12
Bank of Taiwan (H)	-0.20	-0.22
Bank of Thailand (H)	-0.30	-0.32
Bank of Vietnam (H)	-0.40	-0.42
Bank of Yunnan (H)	-0.50	-0.52
Bank of Zhejiang (H)	-0.60	-0.62
Bank of China (H) (H)	-0.70	-0.72
Bank of Communications (H) (H)	-0.80	-0.82
Bank of East Asia (H) (H)	-0.90	-0.92
Bank of Industrial Bank (H) (H)	-1.00	-1.02
Bank of Japan (H) (H)	-1.10	-1.12
Bank of Korea (H) (H)	-1.20	-1.22
Bank of Singapore (H) (H)	-1.30	-1.32
Bank of Taiwan (H) (H)	-1.40	-1.42
Bank of Thailand (H) (H)	-1.50	-1.52
Bank of Vietnam (H) (H)	-1.60	-1.62
Bank of Yunnan (H) (H)	-1.70	-1.72
Bank of Zhejiang (H) (H)	-1.80	-1.82
Bank of China (H) (H) (H)	-1.90	-1.92
Bank of Communications (H) (H) (H)	-2.00	-2.02
Bank of East Asia (H) (H) (H)	-2.10	-2.12
Bank of Industrial Bank (H) (H) (H)	-2.20	-2.22
Bank of Japan (H) (H) (H)	-2.30	-2.32
Bank of Korea (H) (H) (H)	-2.40	-2.42
Bank of Singapore (H) (H) (H)	-2.50	-2.52
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Bank of Thailand (H) (H) (H)	-2.70	-2.72
Bank of Vietnam (H) (H) (H)	-2.80	-2.82
Bank of Yunnan (H) (H) (H)	-2.90	-2.92
Bank of Zhejiang (H) (H) (H)	-3.00	-3.02
Bank of China (H) (H) (H) (H)	-3.10	-3.12
Bank of Communications (H) (H) (H) (H)	-3.20	-3.22
Bank of East Asia (H) (H) (H) (H)	-3.30	-3.32
Bank of Industrial Bank (H) (H) (H) (H)	-3.40	-3.42
Bank of Japan (H) (H) (H) (H)	-3.50	-3.52
Bank of Korea (H) (H) (H) (H)	-3.60	-3.62
Bank of Singapore (H) (H) (H) (H)	-3.70	-3.72
Bank of Taiwan (H) (H) (H) (H)	-3.80	-3.82
Bank of Thailand (H) (H) (H) (H)	-3.90	-3.92
Bank of Vietnam (H) (H) (H) (H)	-4.00	-4.02
Bank of Yunnan (H) (H) (H) (H)	-4.10	-4.12
Bank of Zhejiang (H) (H) (H) (H)	-4.20	-4.22
Bank of China (H) (H) (H) (H) (H)	-4.30	-4.32
Bank of Communications (H) (H) (H) (H) (H)	-4.40	-4.42
Bank of East Asia (H) (H) (H) (H) (H)	-4.50	-4.52
Bank of Industrial Bank (H) (H) (H) (H) (H)	-4.60	-4.62
Bank of Japan (H) (H) (H) (H) (H)	-4.70	-4.72
Bank of Korea (H) (H) (H) (H) (H)	-4.80	-4.82
Bank of Singapore (H) (H) (H) (H) (H)	-4.90	-4.92
Bank of Taiwan (H) (H) (H) (H) (H)	-5.00	-5.02
Bank of Thailand (H) (H) (H) (H) (H)	-5.10	-5.12
Bank of Vietnam (H) (H) (H) (H) (H)	-5.20	-5.22
Bank of Yunnan (H) (H) (H) (H) (H)	-5.30	-5.32
Bank of Zhejiang (H) (H) (H) (H) (H)	-5.40	-5.42
Bank of China (H) (H) (H) (H) (H) (H)	-5.50	-5.52
Bank of Communications (H) (H) (H) (H) (H) (H)	-5.60	-5.62
Bank of East Asia (H) (H) (H) (H) (H) (H)	-5.70	-5.72
Bank of Industrial Bank (H) (H) (H) (H) (H) (H)	-5.80	-5.82
Bank of Japan (H) (H) (H) (H) (H) (H)	-5.90	-5.92
Bank of Korea (H) (H) (H) (H) (H) (H)	-6.00	-6.02
Bank of Singapore (H) (H) (H) (H) (H) (H)	-6.10	-6.12
Bank of Taiwan (H) (H) (H) (H) (H) (H)	-6.20	-6.22
Bank of Thailand (H) (H) (H) (H) (H) (H)	-6.30	-6.32
Bank of Vietnam (H) (H) (H) (H) (H) (H)	-6.40	-6.42
Bank of Yunnan (H) (H) (H) (H) (H) (H)	-6.50	-6.52
Bank of Zhejiang (H) (H) (H) (H) (H) (H)	-6.60	-6.62
Bank of China (H) (H) (H) (H) (H) (H) (H)	-6.70	-6.72
Bank of Communications (H) (H) (H) (H) (H) (H) (H)	-6.80	-6.82
Bank of East Asia (H) (H) (H) (H) (H) (H) (H)	-6.90	-6.92
Bank of Industrial Bank (H) (H) (H) (H) (H) (H) (H)	-7.00	-7.02
Bank of Japan (H) (H) (H) (H) (H) (H) (H)	-7.10	-7.12
Bank of Korea (H) (H) (H) (H) (H) (H) (H)	-7.20	-7.22
Bank of Singapore (H) (H) (H) (H) (H) (H) (H)	-7.30	-7.32
Bank of Taiwan (H) (H) (H) (H) (H) (H) (H)	-7.40	-7.42
Bank of Thailand (H) (H) (H) (H) (H) (H) (H)	-7.50	-7.52
Bank of Vietnam (H) (H) (H) (H) (H) (H) (H)	-7.60	-7.62
Bank of Yunnan (H) (H) (H) (H) (H) (H) (H)	-7.70	-7.72
Bank of Zhejiang (H) (H) (H) (H) (H) (H) (H)	-7.80	-7.82
Bank of China (H) (H) (H) (H) (H) (H) (H) (H)	-7.90	-7.92
Bank of Communications (H) (H) (H) (H) (H) (H) (H) (H)	-8.00	-8.02
Bank of East Asia (H) (H) (H) (H) (H) (H) (H) (H)	-8.10	-8.12
Bank of Industrial Bank (H) (H) (H) (H) (H) (H) (H) (H)	-8.20	-8.22
Bank of Japan (H) (H) (H) (H) (H) (H) (H) (H)	-8.30	-8.32
Bank of Korea (H) (H) (H) (H) (H) (H) (H) (H)	-8.40	-8.42
Bank of Singapore (H) (H) (H) (H) (H) (H) (H) (H)	-8.50	-8.52
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Bank of Vietnam (H) (H) (H) (H) (H) (H) (H) (H)	-8.80	-8.82
Bank of Yunnan (H) (H) (H) (H) (H) (H) (H) (H)	-8.90	-8.92
Bank of Zhejiang (H) (H) (H) (H) (H) (H) (H) (H)	-9.00	-9.02
Bank of China (H) (H) (H) (H) (H) (H) (H) (H) (H)	-9.10	-9.12
Bank of Communications (H) (H) (H) (H) (H) (H) (H) (H) (H)	-9.20	-9.22
Bank of East Asia (H) (H) (H) (H) (H) (H) (H) (H) (H)	-9.30	-9.32
Bank of Industrial Bank (H) (H) (H) (H) (H) (H) (H) (H) (H)	-9.40	-9.42
Bank of Japan (H) (H) (H) (H) (H) (H) (H) (H) (H)	-9.50	-9.52
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Bank of Korea (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-13.20	-13.22
Bank of Singapore (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-13.30	-13.32
Bank of Taiwan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-13.40	-13.42
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Bank of China (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-13.90	-13.92
Bank of Communications (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-14.00	-14.02
Bank of East Asia (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-14.10	-14.12
Bank of Industrial Bank (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-14.20	-14.22
Bank of Japan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-14.30	-14.32
Bank of Korea (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-14.40	-14.42
Bank of Singapore (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-14.50	-14.52
Bank of Taiwan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-14.60	-14.62
Bank of Thailand (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-14.70	-14.72
Bank of Vietnam (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-14.80	-14.82
Bank of Yunnan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-14.90	-14.92
Bank of Zhejiang (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-15.00	-15.02
Bank of China (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-15.10	-15.12
Bank of Communications (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-15.20	-15.22
Bank of East Asia (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-15.30	-15.32
Bank of Industrial Bank (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-15.40	-15.42
Bank of Japan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-15.50	-15.52
Bank of Korea (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-15.60	-15.62
Bank of Singapore (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-15.70	-15.72
Bank of Taiwan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-15.80	-15.82
Bank of Thailand (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-15.90	-15.92
Bank of Vietnam (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-16.00	-16.02
Bank of Yunnan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-16.10	-16.12
Bank of Zhejiang (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-16.20	-16.22
Bank of China (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-16.30	-16.32
Bank of Communications (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-16.40	-16.42
Bank of East Asia (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-16.50	-16.52
Bank of Industrial Bank (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-16.60	-16.62
Bank of Japan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-16.70	-16.72
Bank of Korea (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-16.80	-16.82
Bank of Singapore (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-16.90	-16.92
Bank of Taiwan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-17.00	-17.02
Bank of Thailand (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-17.10	-17.12
Bank of Vietnam (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-17.20	-17.22
Bank of Yunnan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-17.30	-17.32
Bank of Zhejiang (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-17.40	-17.42
Bank of China (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-17.50	-17.52
Bank of Communications (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-17.60	-17.62
Bank of East Asia (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-17.70	-17.72
Bank of Industrial Bank (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-17.80	-17.82
Bank of Japan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-17.90	-17.92
Bank of Korea (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-18.00	-18.02
Bank of Singapore (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-18.10	-18.12
Bank of Taiwan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-18.20	-18.22
Bank of Thailand (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-18.30	-18.32
Bank of Vietnam (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-18.40	-18.42
Bank of Yunnan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-18.50	-18.52
Bank of Zhejiang (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-18.60	-18.62
Bank of China (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-18.70	-18.72
Bank of Communications (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-18.80	-18.82
Bank of East Asia (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-18.90	-18.92
Bank of Industrial Bank (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-19.00	-19.02
Bank of Japan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-19.10	-19.12
Bank of Korea (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-19.20	-19.22
Bank of Singapore (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)	-19.30	-19.32
Bank of Taiwan (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H) (H)		



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1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403</
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